

EXHIBIT 3

SOLICITATION, OFFER AND AWARD				1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING DO-A3		PAGE OF PAGES 1 111		
2. CONTRACT NO. N00024-09-C-2256		3. SOLICITATION NO. N00024-09-R-2256		4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED 12 Aug 2009		6. REQUISITION/PURCHASE NO. N0002409NR53133		
7. ISSUED BY NAVAL SEA SYSTEMS COMMAND STOP 2020 1333 ISAAC HULL AVE SE WASHINGTON NAVY YARD DC 20376-2020 CODE N00024				8. ADDRESS OFFER TO (If other than Item 7) See Item 7						
TEL: FAX:				TEL: FAX:						
NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"										
SOLICITATION										
9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in _____ until _____ local time _____ (Date)										
CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section I., Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.										
10. FOR INFORMATION			A. NAME CALL:			B. TELEPHONE (Include area code) (NO COLLECT CALLS)			C. E-MAIL ADDRESS	
11. TABLE OF CONTENTS										
(X)	SEC.	DESCRIPTION			PAGE(S)	(X)	SEC.	DESCRIPTION		
PART I - THE SCHEDULE						PART II - CONTRACT CLAUSES				
X	A	SOLICITATION/ CONTRACT FORM			1	X	I	CONTRACT CLAUSES		
X	B	SUPPLIES OR SERVICES AND PRICES/ COSTS			2 - 29	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS				
X	C	DESCRIPTION/ SPECS./ WORK STATEMENT			30 - 60	X	J	LIST OF ATTACHMENTS		
X	D	PACKAGING AND MARKING			61 - 63	PART IV - REPRESENTATIONS AND INSTRUCTIONS				
X	E	INSPECTION AND ACCEPTANCE			64 - 66	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS			
X	F	DELIVERIES OR PERFORMANCE			67 - 69					
X	G	CONTRACT ADMINISTRATION DATA			70 - 73	L	INSTRS. CONDS. AND NOTICES TO OFFERORS			
X	H	SPECIAL CONTRACT REQUIREMENTS			74 - 91	M	EVALUATION FACTORS FOR AWARD			
OFFER (Must be fully completed by offeror)										
NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16. Minimum Bid Acceptance Period.										
12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.										
13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)										
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):					AMENDMENT NO.		DATE		AMENDMENT NO.	
15A. NAME AND ADDRESS OF OFFEROR		CODE		1VP86		FACILITY		16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)		
SWIFTSHIPS SHIPBUILDERS, L.L.C. 1105 LEVEE RD MORGAN CITY LA 70380-1001								Calvin J. Leleux President		
15B. TELEPHONE NO (Include area code)			985-384-1700			15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		17. SIGNATURE		
								Calvin J. Leleux		
								18. OFFER DATE		
								9/23/09		
AWARD (To be completed by Government)										
19. ACCEPTED AS TO ITEMS NUMBERED				20. AMOUNT		21. ACCOUNTING AND APPROPRIATION				
				\$180,998,189.00		See Schedule				
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)(1)						23. SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM (4 copies unless otherwise specified)				
24. ADMINISTERED BY (If other than Item 7) SUPSHIP GULF COAST PO BOX 7003 ATTN: CODE 410 PASCAGOULA MS 38968-7003 CODE N89316						25. PAYMENT WILL BE MADE BY DFAS Columbus - Navy Acquisition P.O. Box 369021 Columbus OH 43213 CODE HQ0251				
26. NAME OF CONTRACTING OFFICER (Type or print) Maureen D. Barlow TELE: 202-781-2349 EMAIL: maureen.barlow@navy.mil						27. UNITED STATES OF AMERICA Maureen D. Barlow (Signature of Contracting Officer)		28. AWARD DATE 25 Sept 2009		

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

Previous Edition is Unusable

33-134

STANDARD FORM 33 (REV. 6-97)
Prescribed by GSA
FAR (48 CFR) 53.214(c)

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Iraqi 35m Patrol Boats #1	1	Each	\$21,153,010.00	\$21,153,010.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$21,153,010.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000101	Iraqi 35m Patrol Boat #1		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6001/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$21,153,010.00

CIN: 00000000000000000000000000000000

N00024-09-C-2256

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Iraqi 35m Patrol Boat #2	1	Each	\$15,528,285.00	\$15,528,285.00 NTE

FFP

Detail Design and construction of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

NET AMT	\$15,528,285.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000201	Iraqi 35m Patrol Boat #2				\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6002/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$15,528,285.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003	Iraqi 35m Patrol Boat #3	1	Each	\$13,197,141.00	\$13,197,141.00 NTE

FFP

Detail Design and construction of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

NET AMT	\$13,197,141.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000301	Iraqi 35m Patrol Boat #3		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6003/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$13,197,141.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0004	Iraqi 35m Patrol Boat #4	1	Each	\$13,023,422.00	\$13,023,422.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$13,023,422.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000401	Iraqi 35m Patrol Boat #4		Each		\$0.00 NTE

FFP

Funding information only

Req#: PIQA75/9174/6001/0SAQ

FOB: Origin

PURCHASE REQUEST NUMBER: PIQA75/9174/6001/0SAQ

NET AMT	\$0.00
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ACRN AB

\$2,604,684.40

CIN: 00000000000000000000000000000000

N00024-09-C-2256

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0005	Iraqi 35m Patrol Boat #5	1	Each	\$13,023,422.00	\$13,023,422.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$13,023,422.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000501	Iraqi 35m Patrol Boat #5		Each		\$0.00 NTE

FFP

Funding information only

Req#: PIQA75/9174/6002/0SAQ

FOB: Origin

NET AMT	\$0.00
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ACRN AB

\$2,604,684.40

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0006	Iraqi 35m Patrol Boat #6	1	Each	\$13,033,661.00	\$13,033,661.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$13,033,661.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000601	Iraqi 35m Patrol Boat #6		Each		\$0.00 NTE

FFP

Funding information only

Req#: PIQA75/9174/6003/0SAQ

FOB: Origin

NET AMT	\$0.00
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ACRN AB

\$2,606,732.20

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0007	Iraqi 35m Patrol Boat #7	1	Each	\$12,919,897.00	\$12,919,897.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$12,919,897.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000701	Iraqi 35m Patrol Boat #7		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6004/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$12,919,897.00

CIN: 00000000000000000000000000000000

N00024-09-C-2256

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0008	Iraqi 35m Patrol Boat #8	1	Each	\$12,919,897.00	\$12,919,897.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$12,919,897.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000801	Iraqi 35m Patrol Boat #8		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6005/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$12,919,897.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0009	Iraqi 35m Patrol Boat #9	1	Each	\$12,919,897.00	\$12,919,897.00 NTE

FFP

Detail Design and conversion of Iraqi 35 meter Patrol Boat and Documentation

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$12,919,897.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000901	Iraqi 35m Patrol Boat #9		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6006/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AA

\$12,919,897.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0010	Spares and Tools (PIO)		Lot		\$0.00 NTE

FFP

Spare parts, Special Tools, and Test Equipment. Price for Item 0016 shall be prepared and supplied after award. See Note A.

FOB: Destination

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001001	Spares and Tools (PIO)		Lot		\$0.00 NTE

FFP

Funding information only

FOB: Destination

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0011	Spare Equipment				\$0.00 NTE

FFP

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0011AA	Spare Main Diesel Engine	3	Each	\$648,893.14	\$1,946,679.42 NTE

FFP

Req#: PE4A75/9198/6042/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$1,946,679.42
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ACRN AC

\$1,946,679.42

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0011AB	Spare Training Engine	1	Each	\$610,059.00	\$610,059.00 NTE

FFP

Req#: PE4A75/9198/6043/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$610,059.00
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ACRN AC

\$610,059.00

CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0011AC	Spare Primary Generator Set	2	Each	\$72,248.00	\$144,496.00 NTE

FFP

Req#: PE4A75/9198/6044/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$144,496.00
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ACRN AC

\$144,496.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012	Additional Spares				\$0.00 NTE

FFP

Purchase of Weapon Spare Parts, Electronics Spare Parts, Additional PB #1 Onboard Spares, and Additional PB #1 Pack-up Kit Spares as listed in Attachment J-4.

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012AA	Additional Weapon Spares	1	Lot	\$6,479,907.00	\$6,479,907.00 NTE

FFP

Req#: PE4A75/9198/6045/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$6,479,907.00
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ACRN AC

\$6,479,907.00

CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012AB	Additional Electronics Spares	1	Lot	\$3,543,783.00	\$3,543,783.00 NTE

FFP

Req#: PE4A75/9198/6046/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$3,543,783.00
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ACRN AC	\$3,543,783.00
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CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012AC	Additional PB #1 Onboard Spares	6	Lot	\$139,879.83	\$839,278.98 NTE

FFP

Req#: PE4A75/9198/6047/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$839,278.98
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ACRN AC	\$839,278.98
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CIN: 00000000000000000000000000000000

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012AD	Additional PB #1 Pack-up Kit Spares	6	Lot	\$1,930,471.00	\$11,582,826.00 NTE

FFP

Req#: PE4A75/9198/6048/0LBT

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$11,582,826.00
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ACRN AC	\$11,582,826.00
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CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0013	30mm GWS, MSI DS30MA2 (MK 44 Cannon)	3	Each	\$3,858,431.00	\$11,575,293.00 NTE

FFP

Purchase and Installation of MSI DS30M A2 30mm Gun Weapon System with MK 44 Cannon on Patrol Boats #1 through #3.

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$11,575,293.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001301	30mm GWS, MSI DS30MA2 (MK 44 Cannon)		Each		\$0.00 NTE

FFP

Funding information only - guns 1-3

Req#: PE4A75/9198/6026/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AD

\$11,575,293.00

CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0014	30mm GWS, MSI DS30MA2 (MK 44 Cannon)	3	Each	\$3,739,100.00	\$11,217,300.00 NTE

FFP

Purchase and Installation of MSI DS30M A2 30mm Gun Weapon System with MK 44 Cannon on Patrol Boats #4 through #6.

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$11,217,300.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001401	30mm GWS, MSI DS30MA2 (MK 44 Cannon)		Each		\$0.00 NTE

FFP

Funding information only - guns 4-6
Req#: PIQA75/9174/6026/0SAQ
FOB: Origin

NET AMT	\$0.00
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ACRN AE	\$9,310,359.00
CIN: 00000000000000000000000000000000	

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0015	MK 93 Mod 2 MG Cradles, Mounts	18	Each	\$23,594.61	\$424,702.98 NTE

FFP

Purchase of MK 93 Mod 2 gun cradles and mounts for the M2HB Machine Gun on each Patrol Boat (1-18).
FOB: Origin
PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$424,702.98
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001501	MK 93 Mod 2 MG Cradles, Mounts		Each		\$0.00 NTE

FFP

Funding information only (1-18)
Req#: PE4A75/9198/6049/0LBT
FOB: Origin

NET AMT	\$0.00
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ACRN AC	\$424,702.98
CIN: 00000000000000000000000000000000	

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0016	MK 93 Mod 2 MG Cradles, Mounts	12	Each	\$23,594.61	\$283,135.32 NTE

FFP

Purchase of MK 93 Mod 2 gun cradles and mounts for the M2HB Machine Gun on each Patrol Boat (19-30).
FOB: Origin

NET AMT	\$283,135.32
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001601	MK 93 Mod 2 MG Cradles, Mounts		Each		\$0.00 NTE

FFP

Funding information only (19-30)

FOB: Origin

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0017	7.62 mm Machine Gun Cradles and Mounts	30	Each	\$23,095.61	\$692,868.30 NTE

FFP

Purchase of gun cradles and mounts for the M240 Machine Guns on each Patrol Boat.

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$692,868.30
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001701	7.62 mm Machine Gun Cradles and Mounts		Each		\$0.00 NTE

FFP

Funding information only

Req#: PE4A75/9198/6012/0LBT

FOB: Origin

NET AMT	\$0.00
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ACRN AF

\$692,868.30

CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0018	Contractor Engineering Technical Service	1	Lot	\$1,313,076.00	\$1,313,076.00 NTE

FFP

Contractor-provided Engineering Technical Services in-country for Patrol Boats #1
though 3

FOB: Destination

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$1,313,076.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0019	Contractor Engineering Technical Service	1	Lot	\$1,313,076.00	\$1,313,076.00 NTE
	FFP				
	Contractor-provided Engineering Technical Services in-country for Patrol Boats #4 though 6				
	FOB: Destination				
	PURCHASE REQUEST NUMBER: N0002409NR53133				
				NET AMT	\$1,313,076.00

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
001901	Contractor Engineering Technical Service		Lot		\$0.00 NTE
	FFP				
	Funding information only - boats 4-6				
	FOB: Destination				
NET AMT					\$0.00

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0020	Contractor Engineering Technical Service	1	Lot	\$1,313,076.00	\$1,313,076.00 NTE
	FFP				
	Contractor-provided Engineering Technical Services in-country for Patrol Boats #7				
	though 9				
	FOB: Destination				
NET AMT					\$1,313,076.00

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
002001	Contractor Engineering Technical Service		Lot		\$0.00 NTE

FFP

Funding information only - boats 7-9

Req#: PE4A45/9198/6063/0LBT

FOB: Destination

NET AMT	\$0.00
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ACRN AG

\$1,313,076.00

CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0021	RESERVED				\$0.00 NTE

FFP

FOB: Origin

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0022	RESERVED				\$0.00 NTE

FFP

PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0023	RESERVED				\$0.00 NTE

FFP

FOB: Origin
PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0024	RESERVED				\$0.00 NTE

FFP

FOB: Origin
PURCHASE REQUEST NUMBER: N0002409NR53133

NET AMT	\$0.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0025	RESERVED				\$0.00 NTE
	FFP				
	FOB: Origin				
	PURCHASE REQUEST NUMBER: N0002409NR53133				
					<hr/>
NET AMT					\$0.00

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0026	RESERVED				\$0.00 NTE
	FFP				
	FOB: Origin				
	PURCHASE REQUEST NUMBER: N0002409NR53133				
					<hr/>
NET AMT					\$0.00

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0027	RESERVED				\$0.00 NTE
	FFP				
	FOB: Origin				
					<hr/>
NET AMT					\$0.00

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0028	RESERVED				\$0.00 NTE
	FFP				
	FOB: Origin				
					<hr/>
NET AMT					\$0.00

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0029	RESERVED				\$0.00 NTE
	FFP				
	FOB: Origin				
					<hr/>
NET AMT					\$0.00

CLAUSES INCORPORATED BY FULL TEXT

Note A: Provisional amounts, if shown, are subject to adjustment under the Standard Clauses in SECTION C, Part 2 of this contract entitled "PROVISIONED ITEM ORDER, (PIO)" for supplies or other requirements ordered pursuant to said clause. The US Government is not obligated to order any or all of these items.

B-1 EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (DEC 1995)

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$500 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

CLAUSES INCORPORATED BY FULL TEXT

B-2 LETTER CONTRACT (FIXED-PRICE) (NAVSEA) (MAY 1993)

This contract is a Letter Contract as defined in FAR 16.603-1. It is agreed that the definitive contract resulting from this Letter Contract will include a negotiated Firm Fixed Price contract in no event to exceed \$180,998,189.

CLAUSES INCORPORATED BY FULL TEXT

B-3 CONTRACT SUMMARY FOR PAYMENT OFFICE (FIXED PRICE) (FEB 1997)

This entire contract is fixed price.

Section C - Descriptions and Specifications

PART 1: GENERAL SCOPE OF WORK AND LINE ITEM DESCRIPTIONS**PART 2: STATEMENT OF WORK****PART 3: GENERAL REQUIREMENTS****PART 1: GENERAL SCOPE OF WORK AND LINE ITEM DESCRIPTIONS**

This statement of work defines the effort required for the design, engineering development, fabrication, testing, outfitting, configuration and program management for the acquisition of nine (9) Iraqi 35 meter Patrol Boats (PB) for the Iraq Navy.

The first Patrol Boat (PB #1) shall be a conversion of an existing 35m patrol boat in order to meet the delivery requirements of the Iraq Navy. All other Patrol Boats shall be new construction. Any reference to PB #1 applies solely to the first Patrol Boat, to distinguish it from the new construction Patrol Boats.

The Contractor shall perform the technical, procurement and other tasks necessary for the design, documentation support, materials, equipment, and construction of the Patrol Boats, at the Contractor's CONUS Facility in accordance with the provisions of this contract including attachments, revisions, and modifications thereto. The Contractor shall perform the tasks described as "in country" in Iraq.

The Contractor shall provide the management effort necessary to ensure effective cost, schedule and technical performance under this Contract. The Contractor shall manage the program in accordance with Contract requirements, the management plan(s), and work schedule(s). The Contractor shall fully integrate subcontractors and vendors to provide overall direction and guidance, track progress and status, and integrate products and services provided by subcontractors and vendors' with the products and services provided by the Contractor. The Contractor shall be responsible for the on-schedule completion of the efforts including the preparation of progressing system reports, cost status reports, and work status reports required by this contract.

ITEM 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009 – DETAIL DESIGN AND CONSTRUCTION OF IRAQI 35 METER PATROL BOATS AND DOCUMENTATION

The Contractor shall furnish all resources necessary to conduct the effort needed to design and construct the Iraqi Patrol Boats, Swiftships Model 35PB1208 E-1455. The Contractor shall provide the design effort in accordance with the requirements of the Iraqi PB Specifications for Patrol Boats #2 through 9, Attachment J-1; the Iraqi PB Specifications for Patrol Boat #1, Attachment J-2 (applicable only to PB #1); and the requirements of the Contract. Data and Documentation shall be prepared and provided to the US Government in accordance with the Iraqi PB Data Requirements List (DRL), Attachment J-3, and the requirements of the Contract. The Contractor shall provide items listed in the Iraqi PB Initial Outfitting List (IOL), Attachment J-5, and the Iraqi PB Damage Control (DC) List, Attachment J-6. CLINs 0001 through 0004 include the lifting gear as required in Section C-2.9. CLINs 0001 through 0006 include the boat cradles and RHIB trailers as required in Section C-2.19. CLIN 0006 includes the boat models required in Section C 2.21.

ITEM 0010 - SPARE PARTS, SPECIAL TOOLS AND TEST EQUIPMENT– PROVISIONED ITEM ORDER (PIO)

The Contractor shall provide Spare Parts, Special Tools and Test Equipment identified by the US Government in accordance with the requirements herein and the "PROVISIONED ITEMS ORDERS" requirement in this contract as ordered under Section B-2 entitled "ORDERING ITEMS PERIODS".

ITEM 0011 – ADDITIONAL EQUIPMENT

The Contractor shall provide the following Additional Equipment identical to the equipment installed on the Patrol Boats: three (3) Main Diesel Engines with main reduction gear (MRG), one (1) Main Diesel Training Engine without MRG, and two (2) complete Primary Generator sets (engine and generator). The Contractor shall provide an engine maintenance stand for the Main Diesel Engine to be used for training.

ITEM 0012 – ADDITIONAL SPARES

The Contractor shall provide Additional Spare Parts, Equipment, Special Tools and Test Equipment identified by the US Government in the Iraqi PB Spare Parts Purchase List, Attachment J-4.

ITEM 0013 and 0014– MSI DS30M A2 30MM GUN WEAPON SYSTEM WITH MK 44 CANNON

The Contractor shall purchase and install the MSI DS30M A2 30mm Gun Weapon System with Mk 44 Cannon on each Patrol Boat, including all system components identified in Attachment J-7. The Contractor shall install, align, and test the 30mm Gun Weapon System in accordance with Attachment J-7, the manufacturer's requirements, and with the requirements of the Contract. The Contractor shall install the 30mm Gun Weapons Systems to meet the Contractor's construction schedule so that the Gun Weapons System is fully installed prior to Acceptance Trials on each Patrol Boat. The Contractor shall deliver each Patrol Boat with the 30mm Gun Weapon System installed, except for the Mk 44 Cannon. The Contractor shall install the Mk 44 Cannon on each patrol boat during reactivation in-country. The Contractor shall retain one Mk 44 Cannon Barrel at the Contractor's facility to facilitate testing until delivery of the last patrol boat.

ITEM 0015 and 0016 –MK 93 MOD 2 GUN CRADLES AND MOUNTS

The Contractor shall purchase Mk 93 Mod 2 Gun Cradles and mounts for the .50 caliber M2HB Machine Guns on the Patrol Boats. The gun cradles and mounts shall include gun shields and all components necessary to mount the gun itself. The Contractor shall install and test the gun cradles and mounts in accordance with the manufacturer's requirements and with the requirements of the Contract. The Contractor shall provide one gun position on each side of the Patrol Boat. Two gun cradles and mounts shall be delivered with each Patrol Boat.

ITEM 0017 – 7.62MM MACHINE GUN CRADLES AND MOUNTS

The Contractor shall purchase gun cradles and mounts for the 7.62mm M240B Machine Guns on the Patrol Boats. The gun cradles and mounts shall include gun shields and all components necessary to mount the gun itself. The Contractor shall install and test the Machine Guns and gun mounts in accordance with the manufacturer's requirements and with the requirements of the Contract. The Contractor shall provide one gun position on each side of the Patrol Boat. Two gun cradles and mounts shall be delivered with each Patrol Boat.

ITEM 0018, 0019, and 0020 – CONTRACTOR ENGINEERING TECHNICAL SERVICES

The Contractor shall provide in-country support of the Patrol Boats to include the in-country reactivation of the Patrol Boat and all associated systems and equipment. An in-country Port Engineer will be provided commencing upon arrival of the initial Patrol Boat in the applicable CLIN and continuing for twelve (12) months post-delivery of the final Patrol Boat in the applicable CLIN to assist in the resolution of warranty items.

ITEM 0021-0029 RESERVED

PART 2: STATEMENT OF WORK**C-2.1 General**

The Patrol Boats shall be designed to meet the American Bureau of Shipping (ABS) requirements as identified in Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2). The US Government shall review the Contractor's designs and inspect to ensure validate that the ABS requirements have been met.

The Contractor shall provide written documentation that proves that the first Patrol Boat (PB #1) is free of all liens and encumbrances.

The metric system of measurement (Système Internationale (SI)) shall be used for new design efforts and documentation, except where necessary to interface with existing inch-pound equipment or systems. Where existing technical documentation for inch-pound equipment or systems does not require modification for any reason other than conversion to the metric system, conversion of the documentation to the metric system need not be accomplished.

C-2.2 Government Furnished Material

The US Government will furnish ammunition rounds (30mm Linked TP-T Cartridges, NSN: 1305-01-524-0220, Quantity: five (5) cartridges per Patrol Boat) to facilitate testing of the 30mm Gun Weapon System. The Contractor shall store and maintain the ammunition in the ready service lockers onboard the boats until testing.

C-2.3 Master Equipment

The Contractor shall prepare a Master Equipment List (MEL). The MEL shall specify equipment by make and model including equipment identifier or level number, equipment nomenclature/description, weight, and quantity. The salient features and service requirements of the equipment shall be included. Long lead time materials shall be identified. The listing and identification of major equipment shall be sorted by 3-digit SWBS.

C-2.4 Airborne Noise Survey

The Contractor shall perform an underway airborne noise survey during Acceptance Trials for PB #1 and PB #2. The measurements shall be taken by an outside consultant with experience in noise surveys. . An Airborne Noise Survey Report shall be prepared for PB #1 and PB #2. The Airborne Noise Survey Report shall include the certified measurements.

C-2.5 Mathematical Vibration Analysis

The Contractor shall prepare a Mathematical Vibration Analysis of the propulsion system to ensure that the system performance is acceptable throughout the boat speed range. The analysis shall include both linear and torsional assessments of the components in the propulsion mass-elastic system.

C-2.6 Inclining and Dead Weight Survey

The Contractor shall perform an inclining experiment on PB #1 and PB #2 when each boat is substantially complete, within a time period that is no more than 30 days prior to Acceptance Trials. If approved by the US Government, a Dead Weight Survey may be substituted for the inclining experiment for the third boat and each boat thereafter in accordance with Iraq Navy PB Specifications for Patrol Boats #2 through 9 (Attachment J-1). The Contractor shall conduct the survey in the presence of a US Government representative.

The Contractor shall prepare an Inclining Experiment Report or Dead Weight Survey Report, as required.

C-2.7 Stability

The Contractor shall prepare an Intact and Damage Stability Report for PB #1 and an Intact and Damage Stability Report for PB #2.

C-2.8 Weight Reporting

Weight Documentation shall be submitted by the Contractor. Weight estimates, reports, and supplemental documents shall be prepared in accordance with the Society of Allied Weight Engineers (SAWE) Recommended Practice 12 Issue No. C and SAWE Recommended Practice 13.

The Contractor shall prepare the following Weight Documentation: an Allocated Baseline Weight Estimate for PB #1, an Allocated Baseline Weight Estimate for PB #2, a Final Weight Report for PB #1, a Final Weight Report for PB #2, and a Contract Modification Summary for each hull. As engineering and construction drawings are developed and material procured, records of differences or changes from the Allocated Baseline Weight Estimate shall be maintained and incorporated into the Final Weight Report. The Contractor shall notify the US Government if the Contractor determines that the estimated weight of the boat may exceed the Allocated Baseline Weight Estimate. These records shall be made available to the US Government upon request at no additional cost to the US Government. If configuration changes are made to follow-on boats that result in weight and/or center of gravity differences from the Final Weight Report for PB #2, the Contractor shall develop a Final Weight Report for each affected boat.

The Allocated Baseline Weight Estimates and Final Weight Reports shall include the service life margin on lightship weight and the lightship vertical center of gravity margin identified in the Iraqi PB Specifications for Patrol Boats #2 through9 (Attachment J-1) and Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2).

C-2.9 Hoisting

The Contractor shall provide all handling gear, including but not limited to attachment fittings, permanent lifting fittings, and spreaders necessary to accomplish lift of boat from a single point. The Contractor shall prepare Hoisting Calculations and Hoisting Drawings demonstrating the structural adequacy of the slings. Two (2) complete sets of lifting gear shall be provided; one set of lifting gear shall be provided with the shipment of each of the first three patrol boats and one set of lifting gear shall be provided with the shipment of the last patrol boat delivered under this contract. The Contractor may use one (1) set of these lifting gear for moving the Patrol Boats at the Contractor's facility during construction.

C-2.10 Calculations

The Contractor shall prepare calculations and their revisions. Where configuration differences between PB #1 and PB #2 require changes in the calculations, the Contractor shall prepare and submit new calculations for the affected boat. The Contractor shall prepare the following calculations:

1. Structural design: (a) primary hull structure, (b) engine girder, (c) major foundation, (d) gun mounts and foundations, (e) steering system
2. Shaft sizing
3. Speed-Power: (a) resistance and (b) propulsion predictions
4. Propeller sizing
5. Endurance (time-based)
6. Range (distance-based)
7. Combustion air/exhaust gas pressure loss: (a) main engines, (b) generators

8. Electrical load analysis: (a) validate sizing of generator sets, (b) transformers, (c) battery banks, (d) validate number/size of spare circuit breakers provided for distribution system, (e) provide voltage drop calculations for each circuit
9. HVAC: (a) heating and cooling, (b) ventilation system, (c) duct sizing (if installed)
10. Fire suppression system space volume requirements
11. Steering system, including hydraulic piping
12. Anchor and anchor handling system sizing
13. Mooring and towing system
14. Other calculations as may be required, including those required by ABS.

Calculations must be complete and fully comprehensible. No steps shall be skipped or presumed. For repetitive calculations, a full example calculation describing methodology, assumptions and any additional descriptive information shall be provided. Subsequent repetitive calculations may be placed in a matrix or tabular form that includes all inputs and outputs to these calculations. Any descriptive information needed to completely describe the calculations and their methods must be included.

Calculations shall be clear and complete and include the following: clear, complete and concise assumptions presented in a neat, legible manner, any necessary diagrams to fully describe the design situation and its associated calculation. Pertinent information from all references, standards and guidelines cited including appropriate excerpts. All symbols and acronyms shall be fully defined.

Note: Calculations shall include any significant transient conditions.

C-2.11 Engineering and Construction Drawings and Associated Lists

The Contractor shall prepare Engineering and Construction Drawings and their associated lists and their revisions. Where configuration differences between PB #1 and PB #2 require changes in the drawings, the Contractor shall prepare and submit new drawings for the affected boat. The drawings shall be used for quality assurance and configuration control. The selection of engineering and construction drawings and associated data to be prepared by the Contractor shall be in accordance with the ABS HSC and HSNC Guides.

Engineering and construction drawings and associated lists, as a minimum, shall disclose a design approach suitable to manufacture of limited production models. The engineering drawings shall include, as applicable, parts lists, detail and assembly drawings, interface control data, diagrams, performance characteristics, critical manufacturing limits, and details of new materials and processes. Special inspection and test requirements necessary to determine compliance with requirements for the boat shall be defined on the engineering drawings directly or by reference to a specific document. Vendor Drawings may be provided to satisfy the level of detail required for the engineering and construction drawings.

Drawings shall be prepared using ASME Y14.100, ASME Y14.24, ASME Y14.34M, and ASME Y14.35M. Drawing sheet size C, F, or H not over 88 inches long, shall be used.

NAVSEA drawing numbers shall be assigned to all construction drawings. The drawing number shall consist of "Iraqi 35PB" followed by the applicable 3 digit Ship's Work Breakdown Structure (SWBS) number in accordance with "Weight Classification for U.S. Navy Small Craft," NAVSEA S9009-AB-GTP-010, followed by a seven digit NAVSEA drawing number from a block of numbers provided by the US Government.

All drawings shall be in an AutoCAD® compatible format. All drawings shall be drawn full scale in model space and drawn to scale in paper space.

Drawings that require reference to other data, specific details or interface details on other drawings shall contain a data list.

Material lists shall be an integral part of the drawing to which they apply but may be a separate sheet of the drawing. Material lists shall list all material, broken down to the level of commercially available materials, components, or equipment supplied to the Contractor. Material lists shall contain the following information as applicable: find number or item number, quantity required, part or identifying number, nomenclature or description, material or specification, unit weight, remarks or other identifying information. If available, the address of the manufacturer shall be listed.

The Contractor shall validate the drawings during the construction process by building the boat to the drawings. Drawings shall be revised to show the actual construction if discrepancies are found. The drawings shall be revised and maintained up to date. The latest revision of each drawing shall accurately reflect each boat as constructed and shall also incorporate the current status of US Government approved changes, deviations and waivers.

At the delivery of the final boat, the construction drawings shall accurately and completely describe each boat.

A Drawing Index and a Paint Schedule shall be prepared.

C-2.11.1 Anchoring System Drawing

The Contractor shall prepare an Anchoring System Drawing. The drawings shall facilitate the arrangement, deployment, re-deployment, storage, and maintenance of the anchor system.

C-2.11.2 Towing System Drawing

The Contractor shall prepare a Towing System Drawing. The drawings shall facilitate the arrangement, deployment, and storage of the towing system for both the towing and being towed operational modes.

C-2.11.3 Boat Cradle Drawing

The Contractor shall prepare a Boat Cradle Drawing. The drawings shall depict the interface between the boat and cradle for the purpose of securing the boat for shipping and reactivation upon arrival in Iraq.

C-2.11.4 RHIB Launch and Recovery System Drawing

The Contractor shall prepare a RHIB Launch and Recovery System Drawing for the RHIB required in accordance with the requirement of the Contract. The drawing shall include details on operating, launching, recovering, and storing the RHIB.

C-2.11.5 Propulsion Shafting and Bearing Alignment Procedure

The Contractor shall prepare an alignment procedure which includes all necessary steps to verify that the propulsion shafting and bearings are properly aligned. The alignment procedure shall identify all measurements and tolerances for each step in the procedure.

C-2.12 Schedules

The Contractor shall prepare and provide schedules necessary for the purpose of establishing an orderly and systematic construction program. The schedules shall include but not be limited to the following:

A drawing schedule of all drawings including those required for installation or arrangement even when prepared by a sub-contractor. The schedule shall include drawing number, scheduled and actual drawing completion, submission, and approval dates, and identification of the latest revision for each drawing.

A material ordering schedule for each boat showing the dates when material must be ordered and the dates on which all material items are required at the Contractor's facility for fabrication, erection, or installation. Required material quantities and actual receipt dates shall also be provided.

A schedule of major events or milestones reflecting the milestone payment events for each boat.

These schedules shall be kept current with the progress of work. As each item on each schedule is completed, this shall be so indicated, thus these schedules will also serve as reports on the progress of the work.

C-2.13 Hazards for Electromagnetic Radiation to Personnel (HERP)

The Contractor shall provide an analysis, survey, and report of the boat design for Hazards for Electromagnetic Radiation to Personnel (HERP).

C-2.14 Production Photographs

The Contractor shall prepare photographs of each boat under construction and at completion.

C-2.15 Tests and Trials

C-2.15.1 General

Prior to boat delivery, the Contractor shall conduct test and trials for each boat to verify and validate compliance with the Iraq Navy PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraq Navy PB Specifications for Patrol Boat #1 (Attachment J-2). Trials are operational tests conducted dockside and underway to demonstrate that systems and equipment are in conformity with the contract.

- A. Unless otherwise specified, the Contractor shall be responsible for developing and implementing all test, inspection, and verification documentation for the Boat Acceptance Test Program.
- B. All tests and trials shall be conducted in the presence of the designated US Government representative and in a manner satisfactory to the representative, except where the designated US Government representative may authorize the Contractor to conduct, report, and certify the results of the test. No official test or trial shall be started without the permission of the designated US Government representative. The designated US Government representative shall be notified no less than 24 hours prior to the commencement of each test. Lack of notification may preclude the designated US Government representative's witnessing and thereby prevent the acceptance of that test by the US Government.
- C. All material, fuel, labor, power, equipment, and instruments necessary in the conduct of tests and trials shall be furnished by the Contractor, unless otherwise specified. The Contractor shall provide qualified operating crews as required for underway trials. All expenses, incident to tests and trials shall be borne by the Contractor. The Contractor shall furnish subsistence for all US Government representatives and observers while the boat is at sea; berthing accommodations while operating overnight; transportation between boat and shore, and transportation between points of embarkation and debarkation and the shipyard.

- D. Electronic equipment of the trial boat may be used for administrative traffic on a not-to-interfere basis with scheduled demonstrations. The boat and machinery, equipment, and systems shall be operated in a safe manner and in accordance with manufacturer and Regulatory restriction. The Contractor shall perform tests, record data, and compute trial performance and results. Trial data shall be readily available to US Government observers, and trial results shall be posted in the vicinity of the data collection and computation center.
- E. Any Contractor supplied instruments used in conducting tests or trials shall be calibrated and marked prior to the test. The calibration shall be current. Instruments shall be calibrated utilizing standards certified as being traceable to the national standards. Calibration data and certificates shall be available for inspection by US Government representatives.
- F. Prior to the start of Acceptance Trials, the boat shall be complete in accordance with the contract requirements. Acceptance Trials shall be conducted to demonstrate performance of the boat in accordance with the contract. The Contractor shall prepare a Trial Agenda for each trial. Loading condition for trials shall be configured as described in the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2). The Contractor shall propose trials dates for US Government approval 20 days prior to the planned date of the trials.
- G. The Contractor shall confirm the dates of the Acceptance Trials at least 10 days prior to the scheduled date. All documentation and data shall be complete and up to date in accordance with the requirements of the contract. All prerequisite testing shall have been completed, deficiencies corrected, and tests rerun where necessary. Temporary rigging, industrial equipment, and debris shall be removed. In the event that the US Government determines that the boat or documentation is not ready for trials, the trials shall be postponed until the deficiencies have been corrected.
- H. Except as otherwise specified, the Contractor shall perform tests, record data, and compute trial performance and results. If any part of the boat or equipment fails to perform satisfactorily during trials, the Contractor shall conduct additional trials as directed by the designated US Government representative. Deficiencies designated by the designated US Government representative shall be corrected prior to additional trials. The scope of additional trials shall be as directed by the designated US Government representative.
- I. The signing of any data sheet by a US Government witness signifies only that the test/trial was conducted in accordance with the approved test/trial procedure and that the test data was accurately recorded.
- J. During the conduct of required tests and trials, the boat shall be under the control of the Contractor and his representatives. US Government representatives will be on board to determine that the work accomplished by the Contractor has been performed in accordance with the contract. The Contractor shall provide and install all fittings and appliances which may be necessary for Acceptance Trials.
- K. It is recommended the Contractor schedule the AT sufficiently in advance of the scheduled boat delivery date to allow time to correct any deficiencies found and to re-test as necessary to ensure contract delivery dates are met.
- L. The Contractor shall perform a live fire test of the 30mm Gun Weapon System. The US Government will provide ammunition to the Contractor as Government Furnished Material for testing of the gun

M. Lifting Fitting Test

For each boat, all lifting fittings and equipment shall be tested in accordance with the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2).

N. Tiedown Fitting Test

For each boat and cradle all tie down fittings shall be tested in accordance with the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Purchase Iraqi PB Specifications for Patrol Boat 1 (Attachment J-2).

C-2.15.2 Cancellations

If unfavorable weather conditions exist during the course of trials that would endanger the boat by pounding or collision, the trial shall be cancelled for later re-scheduling. If cancellation is required the trial shall be re-scheduled by the Contractor, subject to the approval of the US Government. If the US Government determines that the boat is not ready for trial, the US Government may cancel the trial.

C-2.15.3 Instrumentation and Equipment

Temporary trial instrumentation and equipment necessary for AT shall be provided by the Contractor.

C-2.15.4 Documentation

The Contractor shall prepare the following documentation:

- A. Comprehensive Test Plan (CTP) - The Contractor shall prepare a Comprehensive Test Plan. The CTP shall define the Contractor's approach to demonstrate compliance with the contract. The CTP shall include, but not be limited to, the Contractor's approach to the execution and reporting of Contractor and/or US Government test and trials to comply with the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2).
- B. Test and Trials Schedule – The Test and Trials Schedule shall contain a schedule chart showing the test number, test title, scheduled test start date, scheduled test completion date, and anticipated or actual changes from scheduled dates for each test and trials.
- C. Test Procedures – The Contractor shall prepare Test Procedures to execute boat test and trials demonstrating compliance with the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2). Test Procedures shall be prepared in accordance with Society of Naval Architects and Marine Engineers (SNAME) Technical and Research (T & R) Bulletin No. 3-39, Guide for Ship and Installation Tests for guidance and SNAME T&R Bulletin 3-47, Guide for Sea Trials.
- D. Test Reports – The Contractor shall prepare a Test Report for each event conducted. A separate report is required for each event on every boat. The Contractor shall identify in a separate test report those events which are a verification of system design and required to be accomplished only on PB #1, PB #2, and any subsequent boat with significant design differences. The Contractor shall identify in a separate test report those events which are a verification of installation or construction quality and adequacy and, therefore, must be performed on each boat. Test Reports shall include each Test Procedure as completed during each test.
- E. Test Certifications
 1. The Contractor shall obtain all equipment and system Certifications in accordance with applicable Regulatory Body requirements and the Contract. The Contractor shall make equipment test reports supporting the certifications available for US Government review during the Acceptance Trial.

2. All Certifications shall be accomplished prior to Acceptance Trials unless otherwise approved by the US Government.
3. Prior to Acceptance Trials, the Contractor shall obtain a certification from the manufacturer of the 30mm Gun Weapon System, MSI Defence Systems Ltd. The certification shall include the following:
 - a. The 30mm Gun Weapon System as installed on each Patrol Boat meets the requirements of the MSI-Defence Systems Limited Engineering Specification ES585 (Attachment J-7) and all other MSI-Defence Systems Limited requirements for safe and proper operation of the system
 - b. All interfaces between the patrol boat and the Gun Weapon System are satisfactory to MSI-Defence Systems Limited for the safe and proper operation of the system, including:
 1. Structure
 2. Air conditioning and ventilation
 3. Power (both capacity and quality)
 - c. All system testing has been successfully completed
4. Prior to Acceptance Trials, the Contractor shall obtain a certification from the manufacturer of the Propulsion Diesel Engines. The certification shall include the following:
 - a. A permit from the German Government for re-export of the engines to Iraq.
 - b. Diesel engines and flexible coupling as installed on the Patrol Boats meet the requirements of the manufacturer.

F. Trial Data and Reports

The Contractor shall compile Trial Data and shall prepare Trial Reports. The Contractor shall prepare an Acceptance Trial Agenda and Acceptance Trial Report. The Contractor shall assemble the following reports, data and publications and make them available at the time of Acceptance Trial:

1. Latest revision of all engineering and construction drawings
2. All US Government approved ECPs, Deviations, and Waivers
3. Latest revision of Boat Information Book
4. Preliminary Technical Manuals or commercial manuals, as applicable, for the equipment installed on the boat
5. Complete set of Test Reports
6. Trial Agenda and Test Procedures
7. Trial displacement
8. Results of certification inspections on all equipment requiring certification
9. List of representative tanks and voids recommended to be opened for inspection
10. List of material shortages
11. List of missing reports, data and publications.

C-2.15.5 Acceptance Trial (AT)

The Contractor shall perform the Acceptance Trial. The AT shall consist of inspections, dockside tests and at-sea trials to determine the suitability of the boat for acceptance by the US Government. Deficiencies are defined as items that require corrective action to bring the material condition of the boat into compliance with the Specifications and applicable regulations. Repairs to take corrective action on any deficiency shall require reinspection or retesting should the US Government request it.

Prior to Acceptance Trials on Patrol Boats #2, #4, and #6; the Contractor may use the boats for training of the Iraq Navy crew members.

A list of US Government personnel participating in trials will be provided by the US Government at least two weeks prior to the Acceptance Trial.

C-2.16 Boat Launching and Docking

The Contractor shall be responsible for the satisfactory launching of the boat at the time and manner mutually agreed upon by the Contractor and US Government. The Contractor shall prepare a Boat Launching Plan. Should there be any evidence that the boat has been strained or damaged during launching, the boat shall be drydocked immediately for inspection, report, and repair and a Contract Problem Information Report (CPIR) shall be prepared in accordance with the requirements of the Contract.

The Contractor shall prepare a Boat Docking Plan. The plan shall facilitate the docking of the boat for maintenance, repair, and storage purposes.

C-2.17 Conferences, Meetings, and Design Reviews

The Contractor shall prepare Agendas, Minutes, and Presentation Materials for all conferences, meetings and Design Reviews with the US Government.

C-2.17.1 Post-Award Conference

The Contractor shall hold a Post-Award Conference within 15 days after contract award. The Conference shall be held at the Contractor's facility. In conducting the Post-Award Conference, the US Government shall prepare the Agenda, while the Contractor shall draft and distribute the Conference minutes.

C-2.17.2 Design Review

The Contractor shall conduct a Design Review to review the boat design and progress, anticipated problems, provide a summary of the logistics efforts, and address other related matters. The Design Review shall be held at the Contractor's facility within fifteen (15) days after Contract Award.

The Design Review shall be a Production Readiness Review prior to the start of construction for Patrol Boats #2 through 9. The threshold for the Production Readiness Review will be that the US Government is satisfied that there are no areas of the Contractor's boat design whose maturity is such that start of construction would be premature, or where there is a significant potential for rework.

In addition, the following topics shall be reviewed during the Design Review:

- ABS HSC Guide Compliance on PB #1 and ABS HSNCR Guide Compliance on PB #2
- Schedule of Major Milestones and Key Events
- Material Ordering Schedule
- Drawing Schedule

C-2.17.3 Shipbuilding Production Progress Conference (SPPC))

The Contractor shall conduct SPPCs in accordance with Contract Clause C-14. The Contractor shall ensure that an SPPC meeting is held in January 2010 and in January 2011 when scheduling the contract required quarterly progress meetings.

C-2.18 Boat Log Books

The Contractor shall prepare a Boat Log Book that documents the history of usage, material condition, and maintenance of all major equipment, except for the engines and generators, from the period of time from the start of Acceptance Trials to delivery of each patrol boat. The Boat Log Book shall reside and be maintained on the boat.

The Contractor shall prepare an Engine and Generator Set Log Book that documents the history of usage, material condition, and maintenance of the engines and generator sets prior to delivery of each patrol boat. The Engine and Generator Set Log Book shall reside and be maintained on the boat. The Engine and Generator Set Log Book shall be presented at Acceptance Trials and shall be delivered to the US Government at the delivery of each boat.

C-2.19 Cradles and TrailersShipping/Maintenance Cradles

The Contractor shall design, construct, and test six shipping/maintenance cradles. The Contractor shall ensure the cradles meet the requirements of the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2).

RHIB Trailers

The Contractor shall purchase and deliver six (6) trailers for the Rigid-Hull Inflatable Boat (RHIB). The Contractor shall ensure the trailers meet the requirements of the Iraqi PB Specifications for Patrol Boats #2 through 9 (Attachment J-1) and the Iraqi PB Specifications for Patrol Boat #1 (Attachment J-2).

C-2.20 Contractor Engineering Technical Services

After boat arrival in-country, the Contractor shall perform technical support and other tasks necessary to reactivate the boat in-country by means of restoring the boat to its post-trials condition. The boat post-trials condition is defined as the boat being in compliance with the Contract requirements without deficiencies. Reactivation of the boat shall be complete within 30 days of arrival of the boat at the Umm Qasr Naval Base.

The Contractor shall provide guaranty engineering support in-country for the guaranty period in accordance with the Guaranty clause of the contract.

C-2.21 Boat Models

The Contractor shall prepare five (5) boat models on a wooden base enclosed in plexi-glass and show all exterior components in the appropriate scale. The scale for two (2) models shall be either 1:24 or 1:25. The scale for three (3) models shall be 1:48. The boat models shall be delivered at delivery of Patrol Boat #6. US Government will provide shipping instructions.

PART 3: GENERAL REQUIREMENTS

- C-1 ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983)**
- C-2 ACCESS TO VESSELS BY NON-U.S. CITIZENS (NAVSEA) (DEC 2005)**
- C-3 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)**
- C-4 CONFIGURATION MANAGEMENT (NAVSEA) (APR 2004)**
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- C-6 EXCLUSION OF MERCURY**
- C-7 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990)**
- C-8 OFFICE FACILITIES**
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- C-14 SHIPBUILDING PRODUCTION PROGRESS CONFERENCES (SPPC)**
- C-15 STANDARDIZATION**
- C-16 UNIQUE ITEM IDENTIFICATION**
- C-17 DISCHARGE OF LIENS AND ENCUMBRANCES AND WARRANTY OF TITLE**
- C-18 INTEGRATED LOGISTICS SUPPORT (ILS)**
- C-19 PROVISIONED ITEM ORDER – ALTERNATE II (NAVSEA) (APR 1999)**
- C-20 CURRENT CONTRACT DELIVERY DATE**
- C-21 CARE OF THE BOAT**

CLAUSES INCORPORATED BY FULL TEXT

C-1 ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983) (MODIFIED) (SEPT 2009)

Officers, employees and associates of other prime Contractors with the US Government and their subcontractors, shall, as authorized by the Supervisor, have, at all reasonable times, admission to the plant, access to the vessel(s) where and as required, and be permitted, within the plant and on the vessel(s) required, to perform and fulfill their respective obligations to the US Government. The Contractor shall make reasonable arrangements with the US Government or Contractors of the US Government, as shall have been identified and authorized by the Supervisor to be given admission to the plant and access to the vessel(s) for office space, work areas, storage or shop areas, or other facilities and services, necessary for the performance of the respective responsibilities involved, and reasonable to their performance.

(End of clause)

C-2 ACCESS TO VESSELS BY NON U.S. CITIZENS (NAVSEA) (DEC 2005) (MODIFIED) (SEPT 2009)

(a) No person not known to be a U.S. citizen shall be eligible for access to naval vessels, work sites and adjacent areas when said vessels are under construction, conversion, overhaul, or repair, except upon a finding by COMNAVSEA or his designated representative that such access should be permitted in the best interest of the United States. The Contractor shall establish procedures to comply with this requirement.

(b) If the Contractor desires to employ non-U.S. citizens in the performance of work under this contract or agreement that requires access as specified in paragraph (a) of this requirement, approval must be obtained prior to access for each contract or agreement where such access is required. To request such approval for non-U.S. citizens of friendly countries, the Contractor shall submit to the cognizant Contract Administration Office (CAO), an Access Control Plan (ACP) which shall contain as a minimum, the following information:

(1) Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on the Contractor's facilities and when performing work aboard ship.

(i) Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification.

(ii) Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulations and instructions.

(iii) A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.

(iv) A badge or pass check must be performed at all points of entry to the Contractor's facilities or by a site supervisor for work performed on vessels outside the Contractor's plant.

(2) Contractor's plan for ascertaining citizenship and for screening employees for security risk.

(3) Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.

(4) Contractor's plan for ensuring subcontractor compliance with the provisions of the Contractor's ACP.

(5) These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict the Contractor in any way from imposing additional controls necessary to tailor these requirements to a specific facility.

(c) To request approval for non-U.S. citizens of hostile and/or communist-controlled countries (listed in Department of Defense Industrial Security Manual, DOD 5220.22-M or available from cognizant CAO), Contractor shall include in the ACP the following employee data: name, place of birth, citizenship (if different from place of birth), date of entry to U.S., extenuating circumstances (if any) concerning immigration to U.S., number of years employed by Contractor, position, and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for the above group. Approval of ACP's for access of non-U.S. citizens of friendly countries will not be delayed for approval of non-U.S. citizens of hostile communist-controlled countries. Until approval is received, Contractor must deny access to vessels for employees who are non-U.S. citizens of hostile and/or communist-controlled countries.

(d) The Contractor shall fully comply with approved ACPs. Noncompliance by the Contractor or subcontractor serves to cancel any authorization previously granted, in which case the Contractor shall be precluded from the continued use of non-U.S. citizens on this contract or agreement until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government's interests are protected. Further, the Government reserves the right to cancel previously granted authority when such cancellation is determined to be in the Government's best interest. Use of non-U.S. citizens, without an approved ACP or when a previous authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this contract, agreement or any job order issued under this agreement may be terminated or default in accordance with the clause entitled "DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)" (FAR 52.249-8), "DEFAULT (FIXED-PRICE RESEARCH AND DEVELOPMENT)" (FAR 52.249-9) or "TERMINATION (COST REIMBURSEMENT)" (FAR 52.249-6), as applicable.

(e) Prime Contractors have full responsibility for the proper administration of the approved ACP for all work performed under this contract or agreement, regardless of the location of the vessel, and must ensure compliance by all subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.

(f) In the event the Contractor does not intend to employ non-U.S. citizens in the performance of the work under this contract, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel's equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.

(g) The same restriction as in paragraph (f) above applies to other non-U.S. citizens who have access to the Contractor's facilities (e.g., for accomplishing facility improvements, from foreign crewed vessels within its facility, etc.)

(End of clause)

C-3 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)

Approval by the Government as required under this contract and applicable specifications shall not relieve the Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor shall it impose upon the Government any liability it would not have had in the absence of such approval.

(End of clause)

C-4 CONFIGURATION MANAGEMENT (NAVSEA) (APR 2004)

(a) Baseline Definition - For configuration control purposes, all contractual documentation in effect at the time of contract award shall constitute the Contract Baseline.

(b) General Requirement - The Contractor shall maintain a Configuration Control Program to ensure that all detail level work being performed under this contract is in compliance with appropriate baseline documentation.

(c) Engineering Change Proposals - ECPs shall be prepared in accordance with the approved configuration management plan and the requirements of the contract. An ECP should be submitted whenever the detail level physical configuration, material quality, operational or functional performance of equipment or installed systems will not be in compliance with baseline design-related documents (Specifications, Contract Drawings, etc.), and a change to the baseline document is considered an appropriate means of resolving a design-related issue. Documentation shall be developed in sufficient detail to enable US Government review and evaluation of the merits of the proposed change, including cost and scheduling impact, ship class impact, and consequences if disapproved. All existing drawings and technical manuals impacted by the change shall be listed along with a brief narrative explanation of needed changes to incorporate the ECP if approved. Weight and moment data incidental to the change shall be provided. The Contractor shall also prepare applicable baseline document insert sheets, with specific word changes or proposed re-write, to facilitate baseline documentation changes.

(d) Non-Engineering Change Proposals (NECPs) - NECPs shall be used to document administrative, procedural, scheduling, or documentation changes that do not directly impact the physical configuration of the ship. The NECP shall provide a detailed explanation justifying the proposed course of action desired to resolve the problem. Insert sheets for applicable documents shall also be attached to facilitate change action in the event the Non-Engineering Change Proposal (NECP) is approved.

(e) Requests for Deviations(RFD)/Requests for Waivers (RFW)- In the event that a baseline design-related document requirement cannot be met, and a change to the baseline document is considered inappropriate, the Contractor shall submit a request for deviation or waiver, as applicable. RFD/RFW shall provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance or effect on ship equipment or system operation constraints. In a similar manner, a waiver shall document an "as-built" configuration that departs from baseline documentation, and shall include any proposed corrections or modifications to better meet the intent of the baseline document.

(f) Equitable Adjustments for Change Documentation Preparations - For its effort expended in preparing ECPs, NECPs, Deviations and Waivers, the Contractor shall receive equitable adjustment under the following circumstances.

- (1) In the event the Contractor, on its own initiative, and without written request from the US Government, develops a change document that is later disapproved by the US Government, the Contractor shall bear the cost of this effort.
- (2) To avoid such loss, and at its option, the Contractor may submit a "preliminary" document that outlines intent, but without detailed supporting documentation and request the NAVSEA's approval for expenditure of effort to complete the detailed supporting documentation. In the event the NAVSEA denies this request, the Contractor will bear the cost of development of the "preliminary" document, and shall make no further effort to complete detailed supporting documentation.
- (3) In the event the NAVSEA approves the Contractor's request to develop supporting documentation, the Contractor shall be equitably compensated for its effort for both the "preliminary" and "final" documentation, regardless of whether or not the change document is later approved.

- (4) In the event the US Government requests in writing that the Contractor develop change documentation, the effort expended by the Contractor in developing such documentation shall be subject to equitable adjustment, regardless of whether or not the change document is later approved.
- (5) In the event the Contractor, on its own initiative, and without written request from the US Government, develops a change document that is later approved by the US Government, the cost of developing such documentation shall be incorporated in the contract modification that implements the change.
- (6) Failure to agree to such equitable adjustment in contract price shall constitute a dispute, and shall be adjudicated in accordance with the requirements of the clause entitled "DISPUTES" (FAR 52.233-1).
- (g) The Contractor shall verify (by physical inspection of the vessel) to the US Government, that all Field Modification Requests (FMRs) and Headquarters Modification Requests (HMRs) (including US Government responsible trial items) have been incorporated into the vessel. Verification shall include:
 - (1) List of all HMRs and FMRs authorized to date.
 - (2) List of those HMRs and FMRs verified to be complete.
 - (3) List of those HMRs and FMRs, which are partially complete or not started with scheduled date for their completion.
- (h) Any cost reduction proposal submitted pursuant to the clause entitled "VALUE ENGINEERING" (FAR 52.248-1) shall be submitted as a Code V Engineering Change Proposal (VECP) and shall be supplemented by the information required by the "VALUE ENGINEERING" clause.

(End of clause)

C-5 CONTRACTOR PROBLEM IDENTIFICATION REPORTS (NAVSEA) (MAY 1993) (MODIFIED)
(SEPT 2009)

- (a) Contract Problem Identification Reports (CPIRs) shall be used by the Contractor for the purpose of alerting the Government to actual or potential contract problems and of establishing an early dialogue between the Contractor and the Government with regard thereto.
- (b) A "contract problem" is a fact or circumstance of which the Contractor is aware that does, will or reasonably is anticipated to (1) have a significant or substantial impact on the delivery schedule or completion of contract performance or the cost of performance of the contract (increase or decrease) or (2) requires modification to the contract or specification(s). The terms "significant" and "substantial" shall be interpreted in the same manner as they would be interpreted by a reasonably prudent business person under the relevant circumstances.
- (c) The Contractor shall report each contract problem promptly and in no event later than five (5) calendar days, after the Contractor identifies such contract problem. A written CPIR shall be transmitted via the Adminstrating Contracting Officer (ACO) to the Procuring Contracting Officer and to the cognizant technical code. Each CPIR shall be entitled "Contract Problem Identification Report", shall be dated, numbered sequentially and shall set forth the following based on the best and most complete information then known or available to the Contractor:
 - (1) The nature of the contract problem;
 - (2) The date on which the contract problem arose and the date on which the contract problem was identified as such;

- (3) The anticipated direct and consequential effects of the contract problem upon the delivery schedule or completion of contract performance or the cost of performance of the contract;
 - (4) Identification of the supplies and/or services which are or may be affected; and
 - (5) The Contractor's recommended solution to the reported contract problem.
- (d) Follow-up status reports of each contract problem, identified by the original CPIR number, shall be furnished monthly or more frequently as required by the Contracting Officer. A final follow-up report shall be furnished immediately following resolution of each contract problem.
- (e) CPIRs shall not be submitted when notice of the same contract problem is required to be furnished to the Government pursuant to any other requirement of this contract. The submission of a CPIR, however, does not relieve the Contractor of its obligations to provide notice required under any other requirement of this contract.

(End of clause)

C-6 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this contract.

(End of clause)

C-7 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990)

Attention of the Contractor is directed to Public Law 91 596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations which it may have for compliance with the aforesaid regulations.

(End of clause)

C-8 OFFICE FACILITIES

The Contractor shall provide the following facilities and services:

- a) The facilities to be provided shall be equal to those provided by the Contractor for his use for generally similar purposes. Suitable office facilities and services shall be provided for the following personnel: two Headquarters (PEO SHIPS) and three SUPSHIPS staff. The offices provided shall be located convenient to the boat, management and other shipyard shops and offices.

b) Office Space. The Contractor shall provide the following requirements from contract award through the end of guaranty period of the last boat for the personnel designated in paragraph (a) above. Offices shall be of adequate size to accommodate the furniture and equipment identified herein and shall include at least one private office with a door and with lock and key, and a conference room to accommodate at least 10 persons. Offices shall be heated, air-conditioned, well-lit and provided with sufficient electrical receptacles for computers, and other office equipment. The Contractor shall provide access to a conveniently located copy and fax machine. Offices shall be provided with locks and keys which shall be furnished to the US Government. The Contractor shall provide nearby toilet and washroom facilities including soap and towels, hot and cold potable water, and janitorial services to ensure all US Government spaces are cleaned. If the Contractor does not already own these facilities and equipment, the Contractor shall rent /lease the necessary equipment.

c) Office Furniture and Equipment. The Contractor shall provide the following office furniture and equipment for each person: double-pedestal desk, ergonomic swivel armchair, book case, two side chairs and trash receptacle. In addition, the Contractor shall provide three two-drawer legal size filing cabinets, one four-drawer legal size filing cabinet, and one table suitable for reviewing plans and drawings, and a minimum of 10 chairs for the conference room. Individual computers and printers for US Government personnel will be provided by the US Government.

d) Telephone Service. The Contractor shall provide telephone service for each desk and the conference room with at least one private line per office for calls to be direct dial, local and long distance (Not through the shipyard switchboard). Voice mail capability shall be included with the telephone service. The Contractor shall include in the contract price the full cost of providing all telephone services except for long distance calls. Long distance calls shall be billed to the US Government on the basis of actual cost.

e) Internet Access. The Contractor shall provide high speed broadband (bi-directional line speed equal to or greater than 200 kbps) connectivity capable of supporting five (5) on-site US Government computers and a connection in the conference room.

f) Parking Spaces. The Contractor shall provide conveniently located secure parking spaces adjacent to the office location to accommodate all US Government on-site personnel and 2 spaces for visiting US Government personnel. If all the offices are not located in one building, appropriate parking shall be made available at the alternate office location to accommodate those US Government personnel. All applicable spaces shall be marked as reserved for US Government personnel.

g) Adjustments to Office Facilities. The Contracting Office may, by written notice to the Contractor, effect substitution, elimination or addition of the office facilities or services specific in this general requirement. If any such substitution, elimination or addition causes an increase or decrease in the Contractor's cost, an equitable adjustment shall be made, as appropriate, in accordance with the clause of this contract entitled CHANGES—FIXED-PRICE" (FAR 52.243-1).

CLAUSES INCORPORATED BY FULL TEXT

C-9 PLANT PROTECTION (NAVSEA) (DEC 2005) (MODIFIED) (SEPT 2009)

(a) In accordance with NAVSEA STANDARD ITEM (SI) 009-72, the Contractor shall develop, maintain, and implement, as necessary, a Plant Protection Plan which prescribes the actions and procedures and assigns responsibilities for actions to be taken to provide adequate protection of the ship(s) and the materials and equipment to be installed therein. A copy of SI 009-72 can be obtained from the purchasing office representative listed in Section G of the contract or via the internet at:

<http://www.supship.navy.mil/ssrac4/standard.htm>

(b) The Contractor shall establish and maintain, for its plant and the work in process under this contract, physical security boundaries and other security measures to provide safeguards against hazards, including unauthorized entry, malicious mischief, theft, espionage, sabotage, and terrorism to U.S. Naval Vessels and their crews, in accordance with SI 009-72 and Attachment A thereto. The Contractor shall also provide reasonable safeguards against vandalism and fire.

(c) The Contractor shall meet the requirements of Force Protection Condition NORMAL (as defined in SI 009-72) at all times. In addition and in accordance with SI 009-72, the Contractor shall meet the requirements of increased levels of Force Protection as may be required or approved by the Contracting Officer, or when notified by the Supervisor, for the protection of its plant and the work in process under this contract against any threats including terrorism, espionage, sabotage, and enemy action.

(d) At the Supervisor's discretion, the Contractor and the Supervisor shall negotiate a cost rate agreement applicable to each level of increased Force Protection above the NORMAL level. In addition to material costs, the labor cost rates shall be negotiated using the contractor's and the Supervisor's accepted common business practices. The labor and material costs to the Contractor for all safeguards so required or approved shall, to the extent allowable and allocable to this contract, be reimbursed to the Contractor in the same manner as if the Contractor has furnished such safeguards pursuant to a change order issued under the clause of this contract entitled "CHANGES--FIXED PRICE" (FAR 52.243-1) or "CHANGES--COST-REIMBURSEMENT" (FAR 52.243-2), as applicable. Such costs shall not include any allowance on account of overhead expense, except shop overhead charges incident to the construction or installation of such devices or equipment.

(e) Upon payment, in accordance with the Payments provision of this contract, by the Government of the cost to the Contractor for any device or equipment required or approved under paragraph (c) above, title thereto shall vest in the Government, and the Contractor shall comply with the instructions of the Contracting Officer respecting the identification and disposition thereof. No part or item of any such devices or equipment shall be or become a fixture by reason of affixation to any realty not owned by the Government.

(End of clause)

C-10 PURCHASE ORDERS, PLANS AND OTHER DATA

Whenever the US Government shall so require, the Contractor shall have available copies of Purchase Orders, and at the cost of reproduction, furnish to the US Government, additional copies of engineering and construction drawings and other documentation required to be provided in accordance with the Contract. The furnishing of such data shall not constitute any guaranty or warranty; either expressed or implied, by the Contractor other than that they are correct copies of such data.

(End of text)

CLAUSES INCORPORATED BY FULL TEXT

C-11 PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS (NAVSEA) (FEB 1994)

The Contractor shall ensure that the ship(s) and all related material at the Contractor's facilities are protected during conditions of heavy weather, high winds, heavy snow and icing, high water or similar adverse environmental conditions. The Contractor shall develop, maintain, and implement as necessary an "Adverse Environmental Conditions Plan" which prescribes the actions and procedures and assigns responsibilities for action to be taken in preparation for and during the period of adverse environmental conditions. The Contractor shall furnish the plan to the Supervisor and shall make such changes in the plan as the Supervisor considers necessary to provide for adequate protection of the ship(s) and the materials and equipment to be installed therein.

(End of clause)

C-12 QUALITY ASSURANCE

The Contractor shall maintain a Quality System Plan adequate to ensure that the items to be furnished under the contract conform to all contractual requirements.

C-13 REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA REQUIREMENTS

(a) The vessel as delivered shall comply with all the applicable laws of the United States, the requirements of the various regulatory bodies and rules. The boat shall meet design, construction and safety standards required by the contract.

(b) The Contractor shall allow designated US Government representatives to monitor all aspects of construction of the boat for the purpose of ensuring compliance with the contract. During the life of the contract, the US Government shall have access to the boat for inspection during normal business hours only.

CLAUSES INCORPORATED BY FULL TEXT

C-14 SHIPBUILDING PRODUCTION PROGRESS CONFERENCES (SPPC) (AT) (JAN 1983)(MODIFIED) (SEPT 2009)

(a) The Contractor agrees to hold quarterly progress meetings at the Contractor's plant, beginning no later than 90 days after the effective date of this contract. The purpose of the meetings is to report progress, anticipated delays, cost experience in relation to the Not-To-Exceed price until the contract is definitized, manning, schedules, production problems, and other related matters. This conference may be held in conjunction with another meeting if desired.

(b) It is agreed and understood that the reports to be made by the Contractor pursuant to this requirement are additional to, and not in substitution for, reports and notices required to be made or given by the Contractor pursuant to other requirements of this contract, including, but not limited to the "NOTIFICATION OF CHANGES" requirement.

(End of clause)

CLAUSES INCORPORATED BY FULL TEXT

C-15 STANDARDIZATION (NAVSEA) (JAN 2008)

(a) Standardization of the vessels under this contract shall be in accordance with the requirements of the contract. The vessels constructed under this contract shall have identical machinery and equipment; provided, however, that if the Contractor considers that strict compliance with the requirements is impracticable for any individual item of machinery or equipment or any component thereof, the Contractor shall notify the US Government in accordance with the Section C clause entitled "CONFIGURATION MANAGEMENT."

(b) The Contractor shall utilize appropriate procurement techniques to comply with this standardization objective and shall include the substance of this clause and the specification in subcontracts and purchase orders.

(End of clause)

C-16 UNIQUE ITEM IDENTIFICATION

The Contractor shall provide Unique Item Identification (UID) marking in accordance with the information provided.

1. UID is a set of data marked on items that is globally unique, unambiguous, and robust enough to ensure data information quality throughout the life of the unit until disposal and to support multi-faceted applications and users. The unique item identifier and the component data elements of the unique item identifier shall not change over the life of the item. The UID component data elements, at a minimum, shall be contained in a Data Matrix ECC200 symbol, as required by MIL STD 130 latest revision.
2. The enterprise (i.e., a manufacturer or vendor) shall be responsible for implementation of the Unique Identification marking/Automatic Identification Technology (UID/AIT) program in accordance with the Department of Defense Guide to Uniquely Identifying Tangible Items dated 1 June 2006, and with the US Government Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.211-7003, Item Identification and Valuation. These documents can be found on the internet at <http://www.acq.osd.mil/dpap/pdi/uid/>.
3. The physical marks that contain the UID-required elements shall remain legible until the item is destroyed. Where space is available, human readable information for UID data elements shall be marked on the item. MIL-STD 130 latest revision, provides information on various marking methods, surface requirements, and verification criteria. The preferred placement of the mark on the part is in the equipment in the installed position, whenever possible. This will allow personnel to read the mark without necessitating its removal. For parts already marked with a label or data plate, the Contractor shall remove and add additional UID information if space is available on the current label or replace with a label or data plate containing UID information in addition to existing information. The verification grade for the UID mark on all parts – shall be in accordance with MIL-STD 130 latest revision.
4. The Contractor shall construct the Unique Item Identifier (UII) for the specified items of equipment listed in paragraph 5 below by using UII Construct 2. The Contractor's Commercial and Government Entity (CAGE) Code shall be utilized as the Enterprise Identifier; Original Part Number assigned to the equipment by the Original Equipment Manufacturer (OEM); and Navy hull registry number of the boat as the serial number within the original part number.

5. The Contractor shall provide unique item identification or a Department of Defense recognized unique identification equivalent for the following:
 - Iraqi Patrol Boat hull;
 - Main Engines;
 - Generator Sets;
 - 30mm Gun Weapon System.
6. DFARS Clause 252.211-7003 para, (c) (3) provides instruction on data syntax and semantics when marking items. The preferred marking medium is appropriately sized label plates for attachment. Additional guidance from the US Department of Defense Guide to Uniquely Identifying Tangible Items is as follows:
 - 6.1 Metadata Requirements:
 - 6.1.1 The UID shall be a non-parsable field, not to exceed 78 characters in length. Overhead characters, such as syntax and data qualifiers, shall be eliminated from the string when the UID is constructed.
 - 6.1.2 The IAC string of characters shall not exceed 3 characters.
 - 6.1.3 The enterprise identifier string of characters shall not exceed 13 characters, excluding the data qualifier.
 - 6.1.4 The original part number string of characters including special characters shall not exceed 32 characters, excluding the data qualifier.
 - 6.1.5 The serial number string of characters (including special characters) shall not exceed 30 characters, excluding the data qualifier.
 - 6.1.6 The sum of the maximum number of characters for possible UID data elements shall be 78. The use of shorter field lengths is encouraged for part and/or serial numbers, where feasible.
 - 6.1.7 The UID string of data must have worldwide uniqueness (non-repeatable).
 - 6.1.8 When constructing the UID, spaces contained in the component data elements will be deleted.
 - 6.1.9 All special characters, except for dashes (-) and forward slashes (/) shall be deleted from the original part number and serial number. The UID shall only contain uppercase English alphabet characters A through Z, numeric characters 0 through 9, and the special characters "-" and "/".
7. Data Submission - The Contractor shall submit label information required by DFARS Clause 252.211-7003 paras (e) and (f).

(1) The Contractor shall immediately discharge or cause to be discharged any lien or right in remedy of any kind, other than in favor of the US Government, which at any time exists or arises with respect to the boat, the machinery, fittings, equipment, furnishings, or materials for the boat. If any such lien or right in remedy is not immediately discharged, the US Government may discharge or cause to be discharged said lien or right in rem, at the expense of the Contractor.

(2) Upon acceptance of the boat by the US Government, the Contractor warrants clear and unencumbered title to the boat. Furthermore, the Contractor indemnifies and holds harmless the US Government against any and all (1) liens and claims of ownership against the boat, and (2) liens, claims, encumbrances, and claims or rights in rem, against the boat, including claims for personal injury and property damage, maritime liens, mechanics liens, and tax liens, which arose prior to acceptance of the boat by the US Government, or which are based on events which occurred prior to acceptance of the boat by the US Government. If any lien, claim, or encumbrance resulting from, or arising out of, any event which occurred prior to acceptance of the boat, is brought against the boat or against the US Government, the Contractor will be responsible for resolution of such claim, lien, or encumbrance, and in no event will the boat or the US Government be responsible for resolving the claim, lien, or encumbrance, or for compensating any person or entity for the claim, lien, or encumbrance. If such claim, lien, or encumbrance is brought against the boat or against the US Government, the Contractor hereby agrees to take all necessary steps to resolve the claim, lien, or encumbrance without impact to the boat or the US Government. The warranty and indemnification under this clause survive the close-out of the contract.

This clause shall not be construed to abrogate or diminish any of the US Government's title-vesting rights under the "Performance Based Payments" clause of the contract.

C-18 INTEGRATED LOGISTICS SUPPORT (ILS)

The Contractor shall implement an ILS Program to satisfy all logistics requirements identified in this Contract. The Contractor shall host a Logistics Conference (LC) thirty (30) days after Contract Award. The purpose of the LC will be to review and discuss all contractual logistics requirements, logistics schedules and the Contractor's overall approach for accomplishing all logistics tasks and functions. During the LC, the Contractor shall also describe the overall ILS Program implementation approach required to satisfy all logistics requirements identified in the contract.

The Contractor shall host ILS Management Team (ILSMT) Meetings at the Contractor's facility concurrent with Ship Production Progress Conferences (SPPCs); however, ILSMT meetings may be separately scheduled and conducted at the discretion of the US Government.

Supply Support

The Contractor shall prepare Logistics Schedules for contractor provided Vendor Recommended Spares (VRS), Special Tools and Test Equipment (ST&TE) and Commercial-Off-the-Shelf (COTS) Technical Manuals (TMs) including Special Purpose TMs.

The Contractor shall provide a Boat Pack-Up Kit (BPUK) for Patrol Boat (PB) #1 only. The BPUK shall include sufficient spares and repair parts to support 1,500 hours of operation and maintenance for PB #1. The BPUK will become part of the 2 year shore spares inventory.

The Contractor shall identify VRS for all systems, equipment and components requiring operations and maintenance that would be required over a two-year period, based on 1,500 operating hours per year. The Contractor shall base their recommendations on technical data from the COTS technical manual and other vendor provided information.

The Contractor shall also separately identify the VRS that are to be carried onboard each boat to support the six-day mission and the VRS that are to be stored on shore to support, at a minimum, the intermediate-level maintenance effort for a two year period. The Contractor shall also provide depot-level maintenance VRS recommendations for the same two-year period if the data is available. The Contractor shall also identify vendor recommendations for ST&TE sufficient for two years based on 1,500 operating hours per year, to support the operations and maintenance of all systems, equipments and components on board the boats and to support the shore maintenance requirements. The Contractor shall prepare VRS and ST&TE Listings for US Government approval.

The Contractor shall procure and provide all US Government approved VRS and ST&TE requirements under CLIN 0016 and in accordance with the PIO Clause. All US Government approved categories of material (VRS and ST&TE) and Contractor Furnished Material (IOL & DC List material) shall be available prior to delivery and/or shipment of the applicable boat and containers via the Defense Transportation System (DTS).

The Contractor shall provide copies of all Purchase Orders and a Purchase Order Index including any Purchase Order Modifications.

The Contractor shall ensure all shelf life material have a minimum of six (6) months of shelf life remaining at reactivation of applicable boat or boats and arrival of shipping containers in-country.

The Contractor shall develop and provide an Integrated Allowance Document (IAD) which identifies the applicable boat, systems, equipment configuration and all applicable approved VRS and ST&TE and other categories of material i.e., IOL and DC material purchased to support the boat or boats prior to delivery and or shipment of the applicable boat or boats via the DTS. The IAD shall also identify the applicable TM for each system, equipment or component provided by the Contractor. The IAD shall also identify the equipments, components, and spares included in the BPUK.

The Contractor, in conjunction with U.S. Government representatives, shall perform an on board site validation of all installed systems, equipments and components on each boat to ensure the accuracy of the configuration and all data provided by the Contractor in support of the boat or boats.

Outfitting

The Contractor shall accomplish the receipt, inspection, identification, segregation, marking, packaging, packing and storage of all categories and types of outfitting material received at the Contractor's boat building facility which includes U.S. Government approved VRS and ST&TE and Contractor procured IOL, Attachment J-5, and the DC list, Attachment J-6. The Contractor shall ensure that adequate warehouse facilities, handling equipment and personnel shall be provided to handle and store all Contractor Furnished (CF) and Government Furnished (GF) material and equipment as it is received at the Contractor's facility. The Contractor shall make the warehouse facilities accessible to U. S. Government personnel for verification and validation of material upon request.

The Contractor shall prepare an Outfitting Plan.

The Contractor shall prepare Outfitting Material Status Reports and Departure Shortage Lists. The Contractor shall maintain the Departure Shortage List until all material has been received and shipped.

The Contractor and U. S. Government logistics representatives shall perform a final outfitting material validation after all categories and types of outfitting material (e.g. VRS, ST&TE, IOL and DC list) have been received and loaded on board each boat, in designated locations and storage devices or loaded in shipping containers for shipment via DTS. The Contractor shall ensure that all required outfitting is available and the outfitting validation is 100% accurate prior to shipment of applicable boat or boats and shipment of outfitting material containers via DTS.

The Contractor shall retain responsibility and custody for all outfitting material until turnover of each boat or boats and outfitting material to the U.S. Government in accordance with the contract.

The Contractor shall prepare Master Packing Lists (MPLs) for each boat and shipping container being shipped via DTS.

The Contractor shall prepare Material Safety Data Sheets (MSDS) for each category of Hazardous Materials (HAZMAT). Each MPL shall identify applicable HAZMAT and respective MSDS shall be attached.

The Contractor shall ensure that all portable and electronic test equipment, including equipment for secondary measurements (e.g. for environmental conditions) shall be calibrated or recalibrated prior to shipment of all boat or boats and shipping containers.

Technical Manual Documentation

The Contractor shall provide Original Equipment Manufacturer (OEM) Commercial-Off-The-Shelf (COTS) Technical Manuals in accordance with Attachment J-3, which support the accuracy and configuration of all installed systems, equipment and components and identify all VRS and ST&TE outfitting material procured to support all the Patrol Boats.

All manuals shall be new and original from the manufacturer. The manuals shall include information necessary for operation, service and part support for the equipment. When available, the manuals shall provide for onboard and ashore organizational intermediate and depot maintenance, including start-up, shutdown and alignment procedures.

The Contractor shall prepare and provide the following Special Purpose Equipment Technical Manuals: Boat Information Book (BIB) and Maintenance Manual for the class of Iraqi Patrol Boats. Each BIB shall be new and original. The BIB shall provide interfacing and amplifying information for the commercial manuals thru system functional descriptions, operating instructions, and trouble shooting directions that do not repeat, but rather reference what is contained in the Vendor supplied commercial manuals by volume, chapter and page as appropriate.

The Contractor shall prepare a Technical Manual Index and a Technical Manual Status Report that identifies all COTS and Special Purpose Equipment Technical Manuals provided to support the boat or boats.

The Contractor shall prepare a Warranty Information Book in accordance with the contract.

(End of text)

C-19 ITEM(S) 0016 - PROVISIONED ITEM ORDER – ALTERNATE II (NAVSEA)(APR 1999)

(a) General. The Contractor agrees that it will furnish the supplies or services ordered by the Government in accordance with the procedures specified herein. Orders may be placed by the Contracting Officer, Provisioning Activity or Administrative Contracting Officer as unilateral or bilateral modifications to this contract on SF 30, Amendment of Solicitation/Modification of Contract. Any amounts shown in Section B at time of award of the initial contract for each provisioned line item are estimated amounts only and are subject to upward or downward adjustment by the issuing activity. If no amounts are shown, funding will be obligated before or at time of order issuance. It is understood and agreed that the Government has no obligation under this contract to issue any orders hereunder.

(b) Priced Orders. For each proposed order, the Contractor agrees that it will submit such cost or pricing data as the Contracting Officer may require. Promptly thereafter, the Contractor and the Contracting Officer shall negotiate the price and delivery schedule for the proposed order. Upon execution and receipt of the priced order, the Contractor shall promptly commence the work specified in the order.

(c) Un definitized Orders. Whenever the Contracting Officer determines that urgent demands or requirements prevent the issuance of a priced order, he/she may issue an unpriced order. Such order may be unilateral or bilateral and shall establish a limitation on Government liability, a maximum ceiling amount, and a schedule for definitization, as described in subparagraph (e)(2) below. Upon request the Contractor shall submit a maximum ceiling amount proposal before the undefinitized order is issued. The maximum ceiling amount is the maximum price at which the order may be definitized. The Contractor shall begin performing the undefinitized order upon receipt, except as provided in paragraph (d) below. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any undefinitized order.

(d) Unilateral Un definitized Orders. (1) For a unilateral undefinitized order, the Contractor shall within ten calendar days of receipt of the order notify the Contracting Officer in writing if it takes exception to the ceiling amount and/or the delivery schedule and shall propose a revised ceiling amount and/or a revised delivery schedule at that time. For unilateral undefinitized orders to which the Contractor takes no exception, the Contractor is obligated to perform just as if it were a fully definitized order.

(2) After receipt of the Contractor's Proposal to establish the revised ceiling amount and/or the revised delivery schedule, the Contracting Officer shall: (1) adjust the ceiling amount and/or revise the delivery schedule; (2) advise the Contractor that the order will be adjusted in a different amount than proposed by the Contractor; or (3) advise the Contractor that no adjustment will be made. In the event the Contractor has taken exception to the ceiling amount and/or the delivery schedule and has submitted a timely proposal in accordance with the preceding requirement and the Contracting Officer has not accepted the Contractor's proposal, the Contractor shall not be obligated to perform the order beyond the point at which it would be entitled to be compensated in an amount in excess of the Government's limitation of liability contained in the unilateral order.

(e) Definitization of Un definitized Orders. (1) The Contractor agrees that following the issuance of an undefinitized order, it will promptly begin negotiating with the Contracting Officer the price and terms of a definitive order that will include: (A) all clauses required by regulation on the date of the order; (B) all clauses required by law on the date of execution of the definitive order; and, (C) any other mutually agreeable clauses, terms and conditions. No later than sixty (60) days after the undefinitized order is issued, the contractor agrees to submit a cost proposal with sufficient data to support the accuracy and derivation of its price; and, when required by FAR, cost or pricing data. If additional cost information is available prior to the conclusion of negotiations, the Contractor shall provide that information to the Contracting Officer. The price agreed upon shall be set forth in a bilateral modification to the order. In no event shall the price exceed the maximum ceiling amount specified in the undefinitized order.

(2) Each undefinitized order shall contain a schedule for definitization which shall include a target date for definitization and dates for submission of a qualifying proposal, beginning of negotiations and, if appropriate, submission of make-or-buy and subcontracting plans and cost or pricing data. Submission of a qualifying proposal in accordance with the definitization schedule is a material element of the order. The schedule shall provide for definitization of the order by the earlier of:

(i) a specified target date which is not more than 180 days after the issuance of the undefinitized order. However, that target date may be extended by the Contracting Officer for up to 180 days after the Contractor submits a qualifying proposal as defined in DFARS 217.7401; or

(ii) the date on which the amount of funds obligated by the Government under the undefinitized order exceed fifty percent (50%) of the order's maximum ceiling amount, except as provided in subparagraph (f)(3) below.

(3) If agreement on a definitive order is not reached within the time provided pursuant to subparagraph (e)(2) above, the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable price in accordance with Subpart 15.8 and Part 31 of the FAR, and issue a unilateral order subject to Contractor appeal as provided in the "DISPUTES" clause (FAR 52.233-1). In any event, the Contractor shall

proceed with completion of the order, subject to the "LIMITATION OF GOVERNMENT LIABILITY" clause (FAR 52.216-24).

(f) Limitation of Government Liability. (1) Each undefinitized order shall set forth the limitation of Government liability, which shall be the maximum amount that the Government will be obligated to pay the Contractor for performance of the order until the order is definitized. The Contractor is not authorized to make expenditures or incur obligations exceeding the limitation of Government liability set forth in the order. If such expenditures are made, or if such obligations are incurred, they will be at the Contractor's sole risk and expense. Further, the limitation of liability shall be the maximum Government liability if the order is terminated. The "LIMITATION OF GOVERNMENT LIABILITY" clause shall be included in any undefinitized order.

(2) Except for undefinitized orders for Foreign Military Sales; purchases of less than \$25,000; special access programs; and Congressionally-mandated long-lead procurements; and except as otherwise provided in subparagraph (f)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the ceiling amount of an undefinitized order. In the case of orders within these excepted categories, however, the procedures set forth herein shall be followed to the maximum extent practical.

(3) If the Contractor submits a qualifying proposal (as defined in DFARS 217.7401) to definitize an order before the Government has obligated fifty percent (50%) of the ceiling amount, the Contracting Officer may increase the limitation of Government liability to up to seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the price proposed by the Contractor, whichever is less.

(4) If at any time the Contractor believes that its expenditure under an undefinitized order will exceed the limitation of Government liability, the Contractor shall so notify the Contracting Officer, in writing, and propose an appropriate increase in the limitation of Government liability of such order. Within thirty (30) days of such notice, the Contracting Officer will either (i) notify the Contractor in writing of such appropriate increase, or (ii) instruct the Contractor how and to what extent the work shall be continued; provided, however, that in no event shall the Contractor be obligated to proceed with work on an undefinitized order beyond the point where its costs incurred plus a reasonable profit thereon exceed the limitation of Government liability, and provided also that in no event shall the Government be obligated to pay the Contractor any amount in excess of the limitation of Government liability specified in any such order prior to establishment of firm prices.

(g) Initial Spares. The limitations set forth in paragraph (c) and subparagraphs (e)(2), (f)(2) and (f)(3) do not apply to undefinitized orders for the purchase of initial spares.

(h) Terminal Date for Placement of Orders. The Contractor shall not be obligated to accept any orders placed hereunder beyond the guaranty period set forth in the clause entitled "GUARANTY PERIOD" for the last article under the applicable item called for in Section B hereof for which the supplies or services are being acquired, provided, however, that deliveries or performance of such supplies or services shall be completed not later than the expiration of said guaranty period.

(i) Segregation of Costs. The Contractor shall segregate the costs of performance of each undefinitized order from the cost of performance of any other work performed by the Contractor.

(j) Ordering. The cognizant ordering activities are designated below:

Naval Sea Systems Command Code 0222

SUPSHIP ACO/DCMA ACO

(End of text)

C-20 CURRENT CONTRACT DELIVERY DATE

(a) The US Government, in the scheduling of various events include, but are not limited to the training and assignment of personnel, and deployment of the vessel(s) in the naval service, and the commitment of facilities and personnel necessary to the foregoing, will rely upon the Contractor to deliver the vessel(s) on the date (s) required by the contract. The Contractor is aware of the consequent importance to the US Government that the vessel(s) be delivered on the date(s) required by the contract.

(b) With regard for the requirements of the this contract, the Contractor shall continuously review his performance on each vessel and provide to the US Government, in writing, within fifteen (15) days after the end of each three-month (3) period after start of fabrication on the first vessel, and until delivery of the last vessel, the following information with respect to each vessel:

i. The current delivery date set forth in the contract, as it may have been amended, and any extension of the date to which the Contractor considers he is entitled under the terms of the contract, together with the reason for such extension.

ii. The Contractor's estimated delivery date, taking into account all delays arising from causes that the Contractor knew were in existence on or before the end of the-current three-month (3) period, including all adjustments in performance time to which the Contractor considers he is entitled under the terms of the contract by reason of unadjusted change orders or otherwise.

(c) With respect to the information submitted in accordance with subparagraph (b) above:

i. If the estimated delivery date for any vessel is earlier than the current contract delivery date for that vessel, including any extension to which the Contractor is entitled pursuant to any clause of this contract, the Contractor may propose to advance the contract delivery date.

ii. If the estimated delivery date for any vessel is later than the current contract delivery date for that vessel, including extensions to which the Contractor is entitled pursuant to any clause of this contract, the Contractor shall set forth the steps to be taken by him to avoid delivering the vessel later than said contract delivery date. If the Contractor considers it not to be feasible to advance the estimated delivery date to the contract delivery date, including any extensions to which the Contractor is entitled pursuant to any change of this contract, the Contractor may propose an extension in the contract delivery date.

(d). Within sixty (60) days following receipt by the Contracting Officer of the submission(s) and proposal(s) in compliance with (b) and (c) above, the delivery date(s) for the vessel(s) shall be affirmed or revised in a contract modification in one of the following ways:

i. If the Contractor's proposed contract delivery date for any vessel represents an adjustment in the performance time to which the Contracting Officer agrees the Contractor is entitled pursuant to any clause of this contract, the Contracting Officer shall accept the proposed delivery date.

ii. If the Contractor's proposed contract delivery date for any vessel is unacceptable to the Contracting Officer, the Contracting Officer may agree with the Contractor on another mutually acceptable contract delivery date representing an adjustment in the performance time pursuant to the pertinent clauses of this contract.

iii. If the Contractor's proposed contract delivery date for any vessel reflects an extension of performance time for which, either in whole or in part, the Contracting Officer considers the Contractor to be responsible, the Contracting Officer may in his sole discretion, nevertheless accept such date provided that the parties shall agree upon, or the Contracting Officer shall determine, the amount of time included in the extension of performance time which was due to inexcusable causes of delay. If the parties cannot agree

upon the responsibility for the delays reflected in the extension of performance time, then the Contracting Officer may elect to accept the Contractor's proposed contract delivery date and defer the making of the determination of responsibility for the delays without prejudice to the rights of either party pertinent to such responsibility.

iv. If the Contracting Officer and the Contractor are unable to agree on a mutually acceptable contract delivery date for any vessel, the Contracting Officer shall unilaterally establish a contract delivery date for such vessel which shall include the delivery date for such vessel which shall include the time of extension to which the Contractor is entitled pursuant to the terms of this contract and may include performance time for which the Contractor is responsible, provided that Contracting Officer specified the extent of the inexcusable delay. The Contractor shall take all necessary steps to meet said delivery date subject to a claim for equitable adjustment in the contract price by reason of acceleration if it should be subsequently determined that the delivery date established by the Contracting Officer is earlier than the delivery to which the Contractor is entitled pursuant to the terms of this contract.

v. The Contractor and the Contracting Officer may agree to affirm that the delivery date(s) for the vessel(s) set forth in the contract is (are) current contract delivery date(s).

(e). Notwithstanding any other rights conferred on the Contractor by the "CHANGES-FIXED PRICE" clause or any other clause of this contract or otherwise, no claim by the Contractor for an extension in delivery date(s) shall be allowed subsequent to the affirmation of the current contract delivery date(s) arising from causes that the Contractor knew or should have known were in existence on or before the effective date of the paragraph (b) submission or the paragraph (c) proposal leading to such agreement or determination.

(End of text)

C-21 CARE OF THE BOAT

The boat, including all GFE and CFE, shall be maintained in a satisfactory condition during the entire period the boats are in the Contractor's possession. During construction the ship shall be kept free of ships, shavings, refuse, dirt, cigarette butts, water, and other extraneous matter. Tanks and voids shall be cleaned and pass inspection before being closed. Rubbish shall be removed from places which are to be permanently closed or which may become inaccessible. Appropriate measures shall be taken to minimize wear and damage incident to construction, and to prevent corrosion or other deterioration. Electric motor strip heaters shall be activated as soon as power can be made available. Otherwise, heat lamps or other heating devices shall be provided for all electric motors and other equipment subject to damage from condensation. Machine parts, both interior and exterior, shall be protected against corrosion and deterioration during the interval between manufacture and ship delivery. If removal of preservative is necessary for testing the machinery or equipment prior to installation, the Contractor shall represerve and protect the machinery or equipment in accordance with the manufacturer's instructions. Preservative on working parts shall be removed prior to operation of the machinery or equipment. Piping, machinery and equipment shall be protected from damage such as freezing or other adverse environmental conditions. Equipment, prefabricated parts, furniture, outfit, and outfitting material which is stowed in warehouses or on piers during construction of each boat, shall be free of vermin before being placed onboard. Parts and equipment, including those having working surfaces or passages, or piping for lubricating and hydraulic oil, shall be kept clean and protected during manufacture, storage, assembly, and installation. Prior to delivery, the interior and exterior of each boat shall be swept, washed down, or otherwise cleaned, and the boat put in a habitable condition for the crew.

(End of text)

END OF SECTION

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Section D - Packaging and Marking

Section D - Packaging and Marking

CLIN 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009

The Contractor shall prepare the boat for shipping to Iraq. The boat shall be prepared for delivery in accordance with best commercial practices, including the items contained in Attachments J-5 (IOL) and J-6 (DC List) of this contract. The boat markings will include UID information as applicable.

The lifting gear and the RHIB trailers shall be packaged in accordance with best commercial practices.

The boat cradles shall be used to support Patrol Boats during shipment. The boat cradles shall be marked for return and reuse for shipping follow-on Patrol Boats. The cradle and the boat shall be marked with permanently stenciled guide marks and dimensions necessary to ensure proper handling and positioning of the boat on the cradle.

The boat models shall be packaged in accordance with best commercial practices.

Data shall be marked and packaged in accordance with the best commercial practices and the requirements of this contract. For documents with no electronic original available, the original document shall be electronically prepared in Adobe Acrobat (*.pdf) format.

CLIN 0010

If orders are issued, packaging and marking instructions will be identified with each order.

CLIN 0011

All equipment associated with CLIN 0011 shall be marked and packaged in accordance with the best commercial practices, the packaging requirements of the vendor, and the requirements of this contract. When not otherwise specified, the equipment associated with CLIN 0011AB shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery. The equipment associated with CLIN 0011AA and 0011AC shall be packaged for long-term storage for a minimum period of two (2) years, and to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery.

CLIN 0012

All materials associated with CLIN 0012 shall be marked and packaged in accordance with the best commercial practices, the packaging requirements of the vendor, and the requirements of this contract. When not otherwise specified, the Additional Spares shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery.

CLIN 0013 and 0014

All equipment associated with CLINs 0013 and 0014 shall be marked and packaged in accordance with the best commercial practices, the packaging requirements of the vendor, and the requirements of this contract. When not otherwise specified, the equipment shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery.

CLIN 0015 and 0016

All materials associated with CLIN 0015 and 0016 shall be marked and packaged in accordance with the best commercial practices, the packaging requirements of the vendor, and the requirements of this contract. When not otherwise specified, the equipment shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery.

CLIN 0017

All materials associated with CLIN 0017 shall be marked and packaged in accordance with the best commercial practices, the packaging requirements of the vendor, and the requirements of this contract. When not otherwise specified, the equipment shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment to the point of delivery.

CLIN 0018, 0019 and 0020

There are no applicable packing/marketing requirements.

CLAUSES INCORPORATED BY FULL TEXT**D-1 IDENTIFICATION MARKING OF PARTS (NAVSEA) (NOV 1996)**

Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following:

- (1) Parts shall be marked in accordance with generally accepted commercial practice.
- (2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

D-2 MARKING AND PACKING LIST(S) - (NAVSEA) (NOV 1996)

- (a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with best commercial practice.
- (b) Packing List(s). A packing list (DD Form 250 Material Inspection and Receiving Report may be used) identifying the contents of each shipment, shipping container or palletized unit load shall be provided by the Contractor with each shipment. When a contract line item identified under a single stock number includes an assortment of related items such as kit or set components, detached parts or accessories, installation hardware or material, the packing list(s) shall identify the assorted items.

Where an assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.

(c) Master Packing List. In addition to the requirements in paragraph (b) above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.

(d) Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number.

D-3 ADDITIONAL MARKING REQUIREMENTS FOR FMS ITEMS (NAVSEA) (SEP 1992)

(a) The following identifying marks shall appear on the outside of each box, parcel and/or crate and all shipping papers included in each shipment:

	U.S. NAVY
FMS CASE	<u>IQ-P-SAZ</u>
REQUISITION NO.	_____
ITEM DESCRIPTION	_____

If a consolidated shipment of several items in one container is forwarded, add to the above information "CONSOLIDATED SHIPMENT, CONTAINS _____ ITEMS".

(b) The inscription "UNITED STATES OF AMERICA" shall be affixed in a suitable size indelible stencil, label or printed form on all external shipping containers or the exterior surface of uncrated items.

(c) All invoices, correspondence, reports and other documents shall be identified with the appropriate FMS case designator, requisition number(s), and item description(s).

Section E - Inspection and Acceptance

CLIN 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009

The boat shall be inspected and accepted at origin (the Contractor's facility shown below) by an authorized representative of the US Government.

Swiftships Shipbuilders LLC
PO Box 2869, 1105 Levee Road
Morgan City, LA 70831

The procedure for inspection and acceptance of the boat is as set forth in the Iraq Navy PB Specifications for Patrol Boats 2-9 (Attachment J-1), the Iraq Navy PB Specifications for Patrol Boat 1, Attachment J-2 (applicable only to PB #1), and Data Requirements List, Attachment J-3, of this contract and in the INSPECTION OF SUPPLIES.

Inspection and acceptance of all data associated with CLIN 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009 shall be as specified in the DRLs, Attachment J-3 of this contract.

CLIN 0010

Inspection and acceptance of parts ordered hereunder shall be as established in each PIO. Unless otherwise stated in the PIO, parts shall be inspected and accepted at source by a representative of the Contract Administration Office.

CLIN 0011

The Additional Equipment shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the US Government in accordance with the requirements of this Contract.

CLIN 0012

The Additional Spares shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the US Government in accordance with the requirements of this Contract.

CLIN 0013 and 0014

The 30mm Gun Weapon System shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the US Government. Except for the Mk44 cannon to be used for testing, all other Mk 44 cannons shall be inspected and accepted at the manufacturer's facility. The Mk 44 cannon used for testing shall be inspected and accepted at the Contractor's facility by an authorized representative of the US Government in accordance with the requirements of this Contract.

CLIN 0015 and 0016

The gun cradles and mounts shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the US Government in accordance with the requirements of this Contract.

CLIN 0017

The gun cradles and mounts shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the US Government in accordance with the requirements of this Contract.

CLIN 0018, 0019 and 0020

Inspection and acceptance by an authorized representative of the US Government.

CLAUSES INCORPORATED BY FULL TEXT

E-1 GUARANTY PERIOD (FT) (NAVSEA) (JAN 1990) (MODIFIED) (SEPT 2009)

(a) As used in this contract, the term "defects" includes any and all defects, deficiencies, deteriorations, and failure in the vessel(s). There shall be a guaranty period for each vessel beginning at the time of delivery and reactivation in Iraq, and ending twelve (12) months thereafter, unless extended as provided in paragraph (b) below.

(b) The guaranty period for each vessel shall be extended by the time during which such vessel is not available for unrestricted service by reason of any defects for which the Contracting Officer shall determine the Contractor to be responsible. During said period the vessel, after being fully equipped and armed and in all respects complete and ready for service, may be finally tried by and at the expense of the Government under conditions prescribed by the Secretary of the Navy. The Contractor may, with approval of the Contracting Officer, have an engineer on board such vessel during such period. Such engineer shall have every reasonable opportunity to inspect the working of such vessel in all its parts but shall have no power to direct or control its operation.

CLAUSES INCORPORATED BY FULL TEXT

E-2 GOVERNMENT FURNISHED MATERIAL (NAVSEA) (MAY 1995)

Government Furnished Material: When material is furnished by the Government, the contractor's procedures shall include at least the following:

- (a) Examination upon receipt, consistent with practicality, to detect damage in transit;
- (b) Inspection for completeness and proper type;
- (c) Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage;
- (d) Functional testing, either prior to or after installation, or both, as required by contract to determine satisfactory operation;
- (e) Identification and protection from improper use or disposition; and
- (f) Verification of quantity.

Damaged Government Furnished Material: The contractor shall report to the Government representative any Government-furnished property found damaged, malfunctioning, or otherwise unsuitable for use. In event of

damage or malfunction during or after installation, the contractor shall determine and record probable cause and necessity for withholding material from use.

Bailed Property: The contractor shall, as required by the terms of the Bailment Agreement, establish procedures for the adequate storage, maintenance, and inspection of bailed Government property. Records of all inspections and maintenance performed on bailed property shall be maintained. These procedures and records shall be subject to review by the Government representative.

[As used in the foregoing, the term "material" applies to Government-furnished equipment to be installed in or furnished with the end item. The term "property" is Government equipment that is used in the fabrication or assembly of the end item, and is not delivered as part of the end item.]

CLAUSES INCORPORATED BY FULL TEXT

E-3 PRELIMINARY ACCEPTANCE (AT) (NAVSEA) (JAN 1983)

Upon satisfactory completion of the applicable trial requirements and upon delivery as provided in Section F of this contract, each vessel shall be preliminarily accepted.

CLAUSES INCORPORATED BY FULL TEXT

E-4 FINAL ACCEPTANCE (AT) (NAVSEA) (MAY 1995)

Each vessel shall be finally accepted upon the expiration of its guaranty period.

CLAUSES INCORPORATED BY REFERENCE

52.246-2	Inspection Of Supplies--Fixed Price	AUG 1996
52.246-4	Inspection Of Services--Fixed Price	AUG 1996
52.246-16	Responsibility For Supplies	APR 1984

Section F - Deliveries or Performance

F-1 Delivery

All supplies to be furnished under this contract shall be delivered in accordance with the following schedule, unless otherwise noted:

CLIN / SLIN	Delivery Schedule
0001 - Iraqi Patrol Boat #1 Detail Design and Conversion	No Later Than 15 March 2010
0002 - Iraqi Patrol Boat #2 Detail Design and Construction	No Later Than 30 June 2010
0003 - Iraqi Patrol Boat #3 Detail Design and Construction	No Later Than 31 August 2010
0004 - Iraqi Patrol Boat #4 Detail Design and Construction	No Later Than 30 September 2010
0005 - Iraqi Patrol Boat #5 Detail Design and Construction	No Later Than 31 October 2010
0006 - Iraqi Patrol Boat #6 Detail Design and Construction	No Later Than 31 December 2010
0007 - Iraqi Patrol Boat #7 Detail Design and Construction	No Later Than 28 February 20 11
0008 - Iraqi Patrol Boat #8 Detail Design and Construction	No Later Than 30 April 11
0009 - Iraqi Patrol Boat #9 Detail Design and Construction	No Later Than 31 May 2011
0010 - PIO Spare parts, Special Tools, and Test Equipment	See Note A
0011AA-AC – Additional Spare Equipment	No Later Than 31 May 2011; See Note B
0012AA - Additional Weapon Spares	No Later Than 31 May 2011; See Note B
0012AB - Additional Electronics Spares	No Later Than 31 May 2011; See Note B
0012AC - Additional PB Onboard Spares	See Note B
0012AD - Additional PB Pack-up Kit Spares	See Note B
0013 - 30mm Gun Weapon System	See Note C
0014 - 30mm Gun Weapon System	See Note C
0015 - MK 93 Mod 2 Machine Gun Cradles and Mounts	No Later Than 30 June 2011
0016 - MK 93 Mod 2 Machine Gun Cradles and Mounts	No Later Than 30 June 2011
0017 - 7.62 mm Machine Gun Cradles and Mounts	No Later Than 30 June 2011
0018 - Contractor Engineering Technical Services	See Note D
0019 - Contractor Engineering Technical Services	See Note D
0020 - Contractor Engineering Technical Services	See Note D

NOTE A: For CLIN 0010, Deliveries for orders under CLIN 0016 will be provided in accordance with the requirements of each individual order.

NOTE B: For CLINs 0011, 0012AA, 0012AB, 0012AC, and 0012AD the equipment and material shall be delivered in conjunction with the delivery of a Patrol Boat.

NOTE C: For CLINs 0013 and 0014; The 30mm Gun Weapon System shall be delivered in conjunction with the delivery of each Patrol Boat. The Mk 44 Cannons will be accepted separately at the manufacturer's facility. The Mk

44 Cannon used for testing shall be delivered to the US Government at the Contractor's facility in accordance with the delivery schedule.

NOTE D: For CLIN 0018, Technical Services shall commence when the boats arrive at the beginning of re-activation and continue providing support for one (1) year after re-activation of PB #3 at the Umm Qasr Naval Base. For CLIN 0019, Technical Services shall commence when PB#4 arrives at the beginning of re-activation and continue providing support for one (1) year after re-activation of PB #6 at the Umm Qasr Naval Base. For CLIN 0020, Technical Services shall commence when PB#7 arrives at the beginning of re-activation and continue providing support for one (1) year after re-activation of PB #9 at the Umm Qasr Naval Base.

F-2 DELIVERIES

In the event that required data is not delivered as required by this contract, the Contracting Officer shall have the option to refuse acceptance of any vessels until such time as the failure to deliver is corrected.

Data as used above, is defined as any report or task required by:

- A Contract Line Item
- A Data Requirements List (DRL)
- The Specification hereto

CLAUSES INCORPORATED BY FULL TEXT

F-3 ADDITIONAL SHIPPING INSTRUCTIONS FOR FMS ITEMS (NAVSEA) (SEP 1992)

(a) The Contractor shall, within sixty days prior to the first scheduled delivery date, notify the cognizant Contract Administration Office (CAO) of the point of origin, description of material, quantity, approximate gross weight and cubic measurement, number of cases, approximate date shipment is expected to be ready for movement, appropriate requisition number(s) and FMS case designator. The notification shall be accompanied by six (6) copies of priced Material Inspection and Receiving Report (MIRR) (DD Form 250) with packing lists.

(b) The CAO shall forward the above information to Michael Barton, PMS 325F via e-mail at michael.l.barton1@navy.mil .

(c) Subsequent to notification as required by paragraph (b), the CAO shall:

(1) Forward four (4) copies of priced DD Form 250 with packing lists and one (1) copy of bill of lading to the Country Freight Forwarder, and

(2) Forward two (2) copies of priced DD Form 250 with packing lists and one (1) copy of bill of lading or other evidence of delivery to the office specified in paragraph (b) above.

CLAUSES INCORPORATED BY REFERENCE

52.242-15 Stop-Work Order
52.242-17 Government Delay Of Work

AUG 1989
APR 1984

N00024-09-C-2256

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52.246-17	Warranty Of Supplies Of A Noncomplex Nature	JUN 2003
52.247-29	F.O.B. Origin	FEB 2006
52.247-34	F.O.B. Destination	NOV 1991

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

AA: 97 - 11X8242 28Q6 310 74 Q62 0 065916 2D PE4A75 91986 001 0LBT
 AMOUNT: \$88,638,127.00
 CIN 00000000000000000000000000000000: \$88,638,127.00

AB: 97 - 11X8242 28S5 310 74 S52 0 065916 2D PIQA75 91746 001 0SAZ
 AMOUNT: \$7,816,101.00
 CIN 00000000000000000000000000000000: \$7,816,101.00

AC: 97 - 11X8242 28Q6 310 74 Q62 0 065916 2D PE4A75 91986 042 0LBT
 AMOUNT: \$25,571,732.38
 CIN 00000000000000000000000000000000: \$25,571,732.38

AD: 97 - 11X8242 28Q6 310 74 Q62 0 065916 2D PE4A75 91986 026 0LBT
 AMOUNT: \$11,575,293.00
 CIN 00000000000000000000000000000000: \$11,575,293.00

AE: 97 - 11X8242 28S5 310 74 S52 0 065916 2D PIQA75 91746 026 0SAZ
 AMOUNT: \$9,310,359.00
 CIN 00000000000000000000000000000000: \$9,310,359.00

AF: 97 - 11X8242 28Q6 310 74 Q62 0 065916 2D PE4A75 91986 012 0LBT
 AMOUNT: \$692,868.30
 CIN 00000000000000000000000000000000: \$692,868.30

AG: 97 - 11X8242 28Q6 252 74 Q62 0 065916 2D PE4A45 91986 062 0LBT
 AMOUNT: \$2,626,152.00
 CIN 00000000000000000000000000000000: \$2,626,152.00

CLAUSES INCORPORATED BY FULL TEXT

252.232-7003 ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS
 (MAR 2008)

(a) Definitions. As used in this clause--

(1) Contract financing payment and invoice payment have the meanings given in section 32.001 of the Federal Acquisition Regulation.

(2) Electronic form means any automated system that transmits information electronically from the initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using Wide Area WorkFlow (WAWF) or another electronic form authorized by the Contracting Officer.

(3) Payment request means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests and receiving reports using WAWF, in one of the following electronic formats that WAWF accepts: Electronic Data Interchange, Secure File Transfer Protocol, or World Wide Web input. Information regarding WAWF is available on the Internet at <https://wawf.eb.mil/>.

(c) The Contractor may submit a payment request and receiving report using other than WAWF only when--

(1) The Contracting Officer authorizes use of another electronic form. With such an authorization, the Contractor and the Contracting Officer shall agree to a plan, which shall include a timeline, specifying when the Contractor will transfer to WAWF;

(2) DoD is unable to receive a payment request or provide acceptance in electronic form;

(3) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor. In such cases, the Contractor shall include a copy of the Contracting Officer's determination with each request for payment; or

(4) DoD makes payment for commercial transportation services provided under a Government rate tender or a contract for transportation services using a DoD-approved electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System).

(d) The Contractor shall submit any non-electronic payment requests using the method or methods specified in Section G of the contract.

(e) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payments requests.

(End of clause)

CLAUSES INCORPORATED BY FULL TEXT

252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2008)

(a) At the time of each delivery of supplies or services under this contract, the Contractor shall prepare and furnish to the Government a material inspection and receiving report in the manner and to the extent required by Appendix F, Material Inspection and Receiving Report, of the Defense FAR Supplement.

(b) Contractor submission of the material inspection and receiving information required by Appendix F of the Defense FAR Supplement by using the Wide Area WorkFlow (WAWF) electronic form (see paragraph (b) of the clause at 252.232-7003) fulfills the requirement for a material inspection and receiving report (DD Form 250). Two copies of the receiving report (paper copies of either the DD Form 250 or the WAWF report) shall be distributed with the shipment, in accordance with Appendix F, Part 4, F-401, Table 1, of the Defense FAR Supplement.

(End of clause)

G-1 PURCHASING OFFICE REPRESENTATIVE:

COMMANDER
NAVAL SEA SYSTEMS COMMAND
ATTN: MS. MAUREEN BARLOW, CODE 02225
1333 ISAAC HULL AVENUE SE STOP 2020
WASHINGTON NAVY YARD, DC 20376-2020
Telephone No. (202) 781-2349

G-2 CONTRACT ADMINISTRATION DATA LANGUAGE

Enter below the address (street and number, city, county, state and zip code) of the Contractor's facility which will administer the contract if such address is different from the address shown on the SF 26 or SF 33, as applicable.

G-3 CONTRACTOR REPRESENTATIVES AUTHORIZED TO SIGN DOCUMENTS

Upon execution of the Contract, the Contractor shall provide a written list to the Contract Administration Office, which identifies those Contractor representatives who are authorized to sign written communication on behalf of the Contractor. The list shall specifically contain the following: (1) name of individual authorized to sign Contractor-generated technical data and Contractor management type documentation, and (2) type of documentation each individual is authorized to sign. Upon addition or deletion of one or more names, the list shall be revised accordingly.

CLAUSES INCORPORATED BY FULL TEXT

G-4 INVOICE INSTRUCTIONS (NAVSEA) (JAN 2008)

(a) In accordance with the clause of this contract entitled "ELECTRONIC SUBMISSION OF PAYMENT REQUESTS" (DFARS 252.232-7003), the Naval Sea Systems Command (NAVSEA) will utilize the DoD Wide Area Workflow Receipt and Acceptance (WAWF) system to accept supplies/services delivered under this contract. This web-based system located at <https://wawf.eb.mil> provides the technology for government contractors and authorized Department of Defense (DoD) personnel to generate, capture and process receipt and payment-related documentation in a paperless environment. Invoices for supplies/services rendered under this contract shall be submitted electronically through WAWF. Submission of hard copy DD250/invoices may no longer be accepted for payment.

- (b) It is recommended that the person in your company designated as the Central Contractor Registration (CCR) Electronic Business (EB) Point of Contact and anyone responsible for the submission of invoices, use the online training system for WAWF at <http://wawftraining.com>. The Vendor, Group Administrator (GAM), and sections marked with an asterisk in the training system should be reviewed. Vendor Quick Reference Guides also are available at http://acquisition.navy.mil/rda/home/acquisition_one_source/ebusiness/don_ebusiness_solutions/wawf_overview/vendor_information. The most useful guides are "Getting Started for Vendors" and "WAWF Vendor Guide".
- (c) The designated CCR EB point of contact is responsible for activating the company's CAGE code on WAWF by calling 1-866-618-5988. Once the company is activated, the CCR EB point of contact will self-register under the company's CAGE code on WAWF and follow the instructions for a group administrator. After the company is set-up on WAWF, any additional persons responsible for submitting invoices must self-register under the company's CAGE code at <https://wawf.eb.mil>.
- (d) The contractor shall use the following document types, DODAAC codes and inspection and acceptance locations when submitting invoices in WAWF:

Type of Document (*contracting officer check all that apply*)

- ☐ Invoice (FFP Supply & Service)
- ☒ Invoice and Receiving Report Combo (FFP Supply)
- ☐ Invoice as 2-in-1 (FFP Service Only)
- ☐ Cost Voucher (Cost Reimbursable, T&M , LH, or FPI)
- ☐ Receiving Report (FFP, DD250 Only)

DODAAC Codes and Inspection and Acceptance Locations (*contracting officer complete appropriate information as applicable*)

Issue DODAAC	<u>N00024</u>
Admin DODAAC	<u>N69316</u>
Pay Office DODAAC	<u>HQ0251</u>
Inspector DODAAC	<u>N69316</u>
Service Acceptor DODAAC	<u>N69316</u>
Service Approver DODAAC	<u>N69316</u>
Ship To DODAAC	<u>See Section F</u>
DCAA Auditor DODAAC	<u></u>
LPO DODAAC	<u></u>
Inspection Location	<u>See Section E</u>

Acceptance Location

See Section E

Attachments created in any Microsoft Office product may be attached to the WAWF invoice, e.g., backup documentation, timesheets, etc. Maximum limit for size of each file is 2 megabytes. Maximum limit for size of files per invoice is 5 megabytes.

(e) Before closing out of an invoice session in WAWF, but after submitting the document(s), you will be prompted to send additional email notifications. Click on "Send More Email Notification" and add the acceptor/receiver email addresses noted below in the first email address block, and add any other additional email addresses desired in the following blocks. This additional notification to the government is important to ensure that the acceptor/receiver is aware that the invoice documents have been submitted into WAWF.

Send Additional Email Notification To:

(f) The contractor shall submit invoices/cost vouchers for payment per contract terms and the government shall process invoices/cost vouchers for payment per contract terms. Contractors approved by DCAA for direct billing will submit cost vouchers directly to DFAS via WAWF. Final voucher submission will be approved by the ACO.

(g) The WAWF system has not yet been implemented on some Navy programs; therefore, upon written concurrence from the cognizant Procuring Contracting Officer, the Contractor is authorized to use DFAS's WInS for electronic end to end invoicing until the functionality of WInS has been incorporated into WAWF.

(h) If you have any questions regarding WAWF, please contact the WAWF helpdesk at the above 1-866 number or the NAVSEA WAWF point of contact Margaret Morgan at (202) 781-4815 or margaret.morgan@navy.mil.

Section H - Special Contract Requirements

<u>NUMBER</u>	<u>TITLE</u>
H-1	NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (FT)-ALTERNATE II (MAY 1993)
H-2	NAVSEA 5252.246-9128 DELIVERY OF COMPLETED VESSEL (FT) (JAN 1983) (MODIFIED) (AUG 2009)
H-3	NAVSEA 5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) ALTERNATE I (MAY 1998)
H-4	NAVSEA 5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)
H-5	NAVSEA 5252.225-9100 FOREIGN SHIPYARD CONSTRUCTION PROHIBITION (AT) (SEP 1990)
H-6	NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006)
H-7	NAVSEA 5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998)
H-8	NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983)
H-9	REQUIRED INSURANCE
H-10	ORDER OF PRECEDENCE
H-11	PAYABLE EVENTS SCHEDULE
H-12	PAYMENTS FOR CLIN 0016
H-13	NAVSEA 5252.245-9124 LIENS AND TITLE (FP) – ALTERNATE I (MAY 1998)

CLAUSES INCORPORATED BY FULL TEXT

H-1 NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS – ALTERNATE II (MAY 1993)

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) DEPARTMENT - means the Department of the Navy.

(b) COMMANDER, NAVAL SEA SYSTEMS COMMAND - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor or duly authorized representative.

(c) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.

(d) SUPERVISOR - means the cognizant Supervisor of Shipbuilding, Conversion and Repair, Department of the Navy.

(e) PROJECT MANAGER (SHAPM)(PMS) - means the (List appropriate PM) Program Manager, or his duly appointed successor or duly authorized representative, of the Naval Sea Systems Command of the Department of the Navy.

(f) LEAD SHIPBUILDER, LEAD YARD OR LEAD SHIPYARD - mean (List contractor) in its capacity as Contractor under Contract No. (List Contract) for the construction of the (List first ship of the class).

(g) FOLLOW SHIPBUILDER, FOLLOW YARD OR FOLLOW SHIPYARD - mean a prime contractor performing a contract for the construction of follow ships of the (List ship class) Class.

(h) LEAD SHIP OR FIRST SHIP OF THE CLASS - mean the (List first ship.)

(i) FOLLOW SHIP - means any ship of the (List class) Class other than the first ship.

(j) ADJUSTMENT IN CONTRACT PRICE - means adjustment in target cost, target profit, target price and ceiling price or fixed price, as appropriate under the circumstances and except as otherwise provided in the contract.

(k) DESIGN AGENT - means (List contractor) in its capacity as Design Agent, not in its capacity as shipbuilding contractor.

(l) NATIONAL STOCK NUMBERS - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National Stock Number (NSN) respectively which shall be defined as follows:

1. National Item Identification Number (NIIN). The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (NCB) Code. The remaining positions consist of a seven digit non-significant number.

2. National Stock Number (NSN). The National Stock Number (NSN) for an item of supply consists of the applicable four position Federal Supply Class (FSC) plus the applicable nine position National Item Identification Number (NIIN) assigned to the item of supply.

(m) NAVY REORGANIZATION - Pursuant to the reorganization within the Department of the Navy, effective 1 July 1974, the Naval Sea Systems Command has become the successor to the Naval Ship Systems Command and the Naval Ordnance Systems Command. The Naval Ship Systems Command was the successor to the Bureau of Ships. The Naval Ordnance Systems Command and the Naval Air Systems Command were the successors to the Bureau of Naval Weapons, which was the successor to the Bureau of Ordnance and the Bureau of Aeronautics. Accordingly, as appropriate in view of the foregoing, reference in the contract and in the documents referenced therein to the Naval Ship Systems Command, the Bureau of Ships, the Naval Ordnance Systems Command, the Naval Air Systems Command, the Bureau of Naval Weapons, the Bureau of Ordnance or the Bureau of Aeronautics shall be deemed to refer to the Naval Sea Systems Command.

(n) REFERENCES TO ARMED SERVICES PROCUREMENT REGULATION OR DEFENSE ACQUISITION REGULATION - All references in this document to either the Armed Services Procurement

Regulation (ASPR) or the Defense Acquisition Regulation (DAR) shall be deemed to be references to the appropriate sections of the Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS).

(o) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) - All references to the FAR in this contract shall be deemed also to include the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

(p) CONSTRUCTION OF THE VESSEL - means conversion of the vessel (except where it is used in paragraphs (f) and (g) of this requirement).

CLAUSES INCORPORATED BY FULL TEXT

H-2 NAVSEA 5252.246-9128 DELIVERY OF COMPLETED VESSEL (FT) (JAN 1983) (MODIFIED) (SEPT 2009)

The term "vessel" as used in this requirement refers to each of the vessels to be delivered under this contract.

(a) The vessel shall not be presented for acceptance trials (as used in this requirement acceptance trials means acceptance trials or combined acceptance trials) until it is determined by the Supervisor that the Contractor has satisfactorily carried out those parts of the contract for which the Contractor is responsible, including dock and sea trials, and that the Contractor has:

1. Corrected all Contractor responsible deficiencies discovered before completion of sea trials, unless otherwise agreed to in writing by the Contracting Officer; and
2. Corrected all Contractor responsible deficiencies discovered after completion of sea trials which are determined by the Contracting Officer to be necessary to avoid an adverse effect on the operational capability of the vessel.

(b) The Contractor shall be responsible for scheduling an interval of a minimum of 30 days between the satisfactory completion of acceptance trials and delivery of the vessel. During this period, the Contractor shall satisfactorily correct all Contractor responsible deficiencies, whether discovered before, during, or after completion of acceptance trials, which are determined by the Contracting Officer to be necessary to avoid an adverse effect on the operational capability of the vessel.

(c) Prior to delivery of the vessel, to the extent necessary for tests, crew training, or operations which the Government is to perform and which do not require the Government to have control of the entire vessel, the Contractor shall make parts of the vessel available to the Government; to the extent necessary for tests, crew training, trials or operations which the Government is to perform, the Contractor shall make the entire vessel available to the Government at dockside, at the Contractor's plant, for such periods of time as are necessary for such trials and operations. During all periods of time when the entire vessel is made available to the Government, the Contractor shall, as requested by the Government and required by the specifications, provide technical assistance and provide assistance necessary to correct defects which develop or are discovered during trials or operations of the vessel.

(d) Upon satisfactory completion (i) of acceptance trials and (ii) of the correction of deficiencies as provided in paragraph (b) above, the Contractor shall deliver the vessel to the Government for preliminary acceptance.

(e) Following preliminary acceptance, the Government may, during the guaranty period, make the vessel available to the Contractor, (i) for correction of defects noted at the time of preliminary acceptance, or which are discovered during the guaranty period, and (ii) for the performance of any additional work required by change orders issued

pursuant to the "CHANGES" clause of this contract prior to preliminary acceptance and not theretofore performed. If the Government elects to make the vessel(s) available to the contractor for the accomplishment of the above described post delivery work, the contractor agrees to accept the vessel(s) and perform the work.

(f) In accordance with the inspection requirements of the contract, all actions of the Government pursuant to this requirement shall be performed in such a manner as to not unduly delay the work.

CLAUSES INCORPORATED BY FULL TEXT

H-3 NAVSEA 5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) - ALTERNATE I (APR 1999)

A. For the purposes of this requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (i) an engineering change proposed by the Government or the Contractor pursuant to the "Other Change Proposals" or other requirements of this contract and (ii) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment under the "CHANGES" clause or any other article or requirement of this contract.

B. Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 or more per vessel in respect of a change made pursuant to a written order designated as a "change order" or in respect of a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect of any other act or omission to act on the part of the Government, the proposal supporting such request shall include the following information for each individual item or element of the request:

1. A description (i) of the work required by the contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of identifiable components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of identifiable raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, are to be listed for later disposition;

2. Description of work necessary to undo work already completed which has been deleted by the change;

3. Description of work which is substituted or added by the change. A list of identifiable components and equipment (not bulk materials or items) involved, should be included. Separate descriptions are to be furnished for design work and production work;

4. Description of interference and inefficiencies in performing the change;

5. Description of disruption attributable solely to the change; which description shall include the following information:

- (a.) Description of each identifiable element of disruption and how work has been, or may be, disrupted;

- (b.) The calendar period of time during which disruption occurred, or may occur;

- (c.) Area(s) of the Contractor's operations where disruption occurred, or may occur;
- (d.) Trade(s) or functions disrupted, with a breakdown of man-hours and material for each trade or function;
- (e.) Scheduling of trades before, during, and after period of disruption insofar as such scheduling may relate to or be affected by the estimated disruption;
- (f.) Description of any measures taken to lessen the disruptive effect of the change;

6. Delay in delivery attributable solely to the change;

7. Other work or increased costs attributable to the change;

8. Supplementing the foregoing, a narrative statement of the nature of the alleged Government act or omission, when the alleged Government act or omission occurred, and the "causal" relationship between the alleged Government act or omission and the claimed consequences thereof, cross-referenced to the detailed information provided as required above.

9. Each proposal submitted in accordance with this requirement shall include a copy of the Contractor's ship's labor budget at the cost level in effect as of the date the event began, the cost incurred at the cost level as of the same date, and the proposed effect of the change at the cost class level.

10. It is recognized that individual claims for equitable adjustment may not include all of the factors listed in subparagraphs (b)(1) through (b)(8) above, or that the Contractor may not reasonably be able to furnish complete information on all of the factors listed in subparagraph (b)(1) through (b)(8) above. Accordingly, the Contractor is only required to set forth in its request for equitable adjustment information with respect to those factors which are relevant to the individual request for equitable adjustment, or in the level of detail which is reasonably available to the Contractor.

11. In addition to any information required under paragraph (b) above, each proposal submitted in support of a claim for equitable adjustment, under any requirement of this contract, in an amount which requires certified cost or pricing data, shall contain such cost or pricing data as the Contracting Officer shall require with respect to each individual claim item, and shall be in sufficient detail to permit the Contracting Officer to cross reference the claimed increased costs, or delay in delivery, or both, as appropriate, with the information submitted pursuant to subparagraphs (b)(1) through (b)(8) hereof.

CLAUSES INCORPORATED BY FULL TEXT

H-4 NAVSEA 5252.233 9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)

A. Whenever the Contractor, after receipt of a change made pursuant to the clause of this contract entitled "CHANGES" or after affirmation of a constructive change under the "NOTIFICATION OF CHANGES" (FAR 52.243-7) requirement, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle the Contractor, including but not limited to adjustments arising out of delays or disruptions or both caused by such change.

B. Further, the Contractor agrees (except as the parties may otherwise agree) that, if required by the

Contracting Officer, it will execute a release, in form and substance satisfactory to the Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment, and that such release shall discharge the Government, its officers, agents and employees, from any further claims including but not limited to further claims arising out of delays or disruptions or both, caused by the aforesaid change.

CLAUSES INCORPORATED BY FULL TEXT

H-5 NAVSEA 5252.225-9100 FOREIGN SHIPYARD CONSTRUCTION PROHIBITION (AT) (JAN 1983)

Neither the vessel nor the hull, midbody, or other major fixed structural component of the vessel shall be constructed in a foreign shipyard.

CLAUSES INCORPORATED BY FULL TEXT

H-6 NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006)

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November 1994. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the Contractor from complying with any other requirement of the contract.

(b) The Contractor agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "Contractor" shall be changed to "Subcontractor".

(c) GIDEP materials, software and information are available without charge from:

GIDEP Operations Center
P.O. Box 8000
Corona, CA 92878-8000

Phone: (951) 898-3207
FAX: (951) 898-3250
Internet: <http://www.gidep.org>

CLAUSES INCORPORATED BY FULL TEXT

H-7 NAVSEA 5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998)

A. This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.

B. With respect to ship components or equipments manufactured other than in the United States or Canada, the Contractor agrees that, in addition to any other data required by this contract, it will furnish under this contract sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to the Contractor and approved by the Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the number of this contract.

C. In order to satisfy the requirements of paragraph (b), above, unless the supplier of the ship components or equipments shall have made arrangements, satisfactory to the Contractor and approved by the Contracting Officer, for the manufacture of such repair parts in the United States or Canada, the Contractor shall include in all subcontracts for the purchase of ship components or equipments from foreign sources a clause, acceptable to the Contracting Officer, granting to the United States Government for a period of seven (7) years, "Government Purpose Rights" (as defined in paragraph (a)(12) of the clause of this contract entitled "RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS" (DFARS 252.227 7013) in all technical data necessary to manufacture spare and repair parts for such components or equipments.

CLAUSES INCORPORATED BY FULL TEXT

H-8 NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983)

A. Definitions. As used in this requirement, the term "Contracting Officer" does not include any representative of the Contracting Officer whether or not such representative is acting within the scope of his authority nor does it include any other individuals or activities that in any way communicate with the Contractor. As used in this requirement, the term "conduct" includes both actions and failures to act, and includes the furnishing of, or the failure to furnish, any item under any provision of this contract.

B. Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers would constitute or would require a change to this contract. The parties acknowledge that proper administration of this contract requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would constitute or would require a change to this contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor:

1. The date, nature, and circumstances of the conduct regarded as a change;
2. The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct;
3. The identification of any documents and the substance of any oral communication involved in such conduct;
4. The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including:

- (a.) What ship(s) have been or might be affected by the potential change;
- (b.) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;
- (c.) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and
- (d.) What and in what manner are the particular technical requirements or contract requirements regarded as changed.

C. Continued Performance. Except as provided in paragraph (f) below, following submission of notice, the Contractor shall take no action to implement a potential change until advised by the Contracting Officer in writing as provided in (d) below, unless the potential change was previously directed by the Contracting Officer, in which case the Contractor shall conform therewith. Nothing in this paragraph (c) shall excuse the Contractor from proceeding with contract work other than implementation of the potential change or from proceeding in accordance with directions issued by the Contracting Officer.

D. Government Response. The Contracting Officer shall promptly, and in any event within twenty one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either:

- 1. Confirm that the conduct of which the Contractor gave notice would constitute a change, and when necessary, direct the mode of further performance, or;
- 2. Countermand any conduct regarded by the Contractor as a change, or;
- 3. Deny that the conduct of which the Contractor gave notice would constitute a change and, when necessary, direct the mode of further performance, or;
- 4. In the event the Contractor's notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under (d)(ii).

E. Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by the Contracting Officer shall be made in accordance with the clause of this contract entitled "CHANGES", or any other requirement of this contract which provides for an equitable adjustment.

F. Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer's response to the Contractor's notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where

- 1. The circumstances do not allow sufficient time to notify the Contracting Officer of the facts prior to the need to proceed with the work, and;
- 2. The work must proceed to avoid hazards to personnel or property or to avoid additional cost to the Government, the Contractor may proceed with work in accordance with the potential change. In such special situations, the Contractor shall advise the Contracting Officer in writing within ten (10) days of the conduct giving rise to the potential change that the Contractor has proceeded and shall describe the nature of the special situation which required proceeding prior to notification. Within thirty (30) calendar days of the conduct giving rise to the potential change, the Contractor shall provide notice as

required in (b) above. The Contracting Officer shall respond as set forth in (d) above. If the Contracting Officer determines that the conduct constitutes a change and countermands it, the Contractor shall be entitled to an equitable adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.

G. When the Contractor identifies any conduct which may result in delay to delivery of the ship(s), the Contractor shall promptly so inform the Contracting Officer thereof prior to providing the notice required by paragraph (b) above.

H. Despite good faith best efforts, occasions may arise in which the Contractor does not provide notice within the time periods specified in paragraphs (b) and (f) above. Accordingly, prior to the end of the first and third quarters of each calendar year through the period of performance of this contract, the Contractor shall deliver to the Government an executed bilateral contract modification, in the format set forth in Exhibit "A" to this requirement, covering the six month period of time ending with the second and fourth quarters, respectively, of the preceding year, with such specific exceptions, if any, as are identified by the Contractor. If the Contractor cites specific exceptions to the release, the Contractor shall concurrently provide the Contracting Officer with notice, containing the information set forth in paragraph (b) of this requirement, for each item excepted from the release. However, the release required by this requirement shall not make unallowable any costs which are otherwise allowable under any other requirement of this contract.

Within sixty (60) days of receipt of the release, the Contracting Officer shall sign and return a copy of the release to the Contractor. If the Contracting Officer fails to execute and return the release within the required time, then the release shall be deemed to be void and of no effect for the period involved.

I. If the release in accordance with paragraph (h) above is not provided to the Government by the Contractor in the time required, the Contracting Officer may execute the release as set forth in Exhibit "A" and send it to the Contractor. If the Contractor fails to execute the release and return it to the Government (with any specific exceptions) within sixty (60) days of receipt thereof, the required release shall then be deemed effective as if signed by the Contractor.

Exhibit A to the Requirement entitled "NOTIFICATION OF CHANGES"

This modification reflects the agreement of the parties to the mutual full and final releases for the consequences of that conduct (as conduct is defined in the requirement entitled "NOTIFICATION OF CHANGES"), described below, except the conduct identified in Attachment A hereto is excluded and not covered by the terms of this release.

1. Except for the conduct listed in Attachment A by either party, neither the Contractor nor the Government shall be entitled to any equitable adjustment or to money damages and/or other relief for any conduct, as specified below.
2. In consideration of the foregoing the parties hereby agree to the following release:
 - (a.) The Government, for itself, its assigns, vendors, suppliers, and contractors, hereby remises, releases, and forever discharges the Contractor, its officers, agents and employees from any and all entitlement of the Government to equitable adjustment of the contract price and delivery schedule due to conduct under this contract, which occurred on or before .
 - (b.) The Contractor, for itself, its successors, assigns, vendors, suppliers, and subcontractors, hereby remises, releases and forever discharges the Government, its officers, agents and employees from (i) any and all entitlement of the Contractor to equitable adjustment of the contract cost and fee and/or delivery schedule of this contract or of any other

Government contract (with this or any other Contractor) or any contract between the Contractor and any third party by reason of any conduct which increases the Contractor's cost or time of performance of work under this contract and meets the following conditions (1) known to the Contractor, (2) occurred on or before and (3) the Contractor failed to give notice prior to date of this release, and (ii) any and all liabilities to the Contractor for money damages and/or other relief for the impact of any such conduct, upon this contract or any other Government contract (with this or any other Contractor) or any contract between the Contractor and any third party.

H-9 REQUIRED INSURANCE

A. Until the boat has been accepted by the Government, the boat and all materials, equipment and appliances, therefore, including materials, equipment to be furnished by the Government to the Contractor for installation in the boat, shall, at the expense of the Contractor, be kept fully and duly insured by the Contractor in the name of the United States of America and the Contractor under the form of Builder's Risk Insurance (Navy Form Syndicate) Policy, including the rider attached to the "Free of Capture and Seizure" clause thereof where applicable. Where such insurance is not applicable the Contractor shall procure and thereafter maintain in the name of the United States of America and the Contractor until the boat has been accepted by the US Government, fire and extended coverage insurance during construction and inland or ocean marine all risk cargo insurance during delivery with respect to the boat and all materials, equipment and appliances therefore, including materials and equipment to be furnished by the US Government to the Contractor for installation in the boat. Where none of the foregoing is applicable during water trials the Contractor shall procure and thereafter maintain such other insurance for the boat as will cover the usual marine perils during such trials. The amount of the insurance shall not be less than aggregate of the amount paid to the Contractor under this contract by the US Government plus the value of any materials, equipment and appliance furnished by the US Government as determined from time to time by the Contracting Officer. Loss under the aforementioned insurance shall be payable to the Secretary of the Navy, or order, for use of the United States of America to the extent of payment made to the Contractor under this contract plus the amount of loss of or damage to the material, equipment, and appliance furnished by the US Government and for use of the Contractor to the extent of any remaining balance.

B. All policies shall be delivered to the Administrative Contracting Officer for approval and custody. The terms of the policies, the insurance companies, and the underwriters shall at all times be satisfactory to the Contracting Officer. Policies not in conformance herewith shall be surrendered and canceled upon the direction of the Contracting Officer and new policies procured in conformance herewith.

C. In the event that the Contractor shall procure or maintain other insurance upon any materials or other property upon which a lien exists in favor of the US Government or to which the US Government has title pursuant to the terms of this contract, the policy or policies shall contain a loss payable clause making losses payable to the Secretary of the Navy or as referred by the Contracting Officer. Any payments thereunder shall inure to the benefit of the US Government and to the Contractor as to any remaining balance. The requirements of this paragraph (c) shall not be deemed to require that the Contractor procure or maintain any such other insurance.

D. The foregoing insurance requirements shall not be construed as limiting in any way the full responsibility of the Contractor for the supplies under the contract.

H-10 ORDER OF PRECEDENCE

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

1. The Schedule (excluding the specifications)
2. Representations and other instructions
3. Contract clauses
4. The Iraq Navy PB Specifications for Patrol Boats 2-9 (Attachment J-1) and the Iraq Navy PB Specifications for Patrol Boat 1 (Attachment J-2)
5. Other documents, exhibits, and attachments

H-11 PAYABLE EVENT SCHEDULE (APPLICABLE TO CLINs 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009, 0011, 00012, 00013, 00014, 00015, 00016, 0017, 0018, 0019 and 0020)

The Contractor shall perform the efforts required by the Contract and its attachments. The Contractor will be paid for each payable event accomplished, along with its associated documentation, upon US Government acceptance in accordance with the Schedule of Payments and Payable Events set forth below. With the exception of CLINs 0013 and 0014, in no event shall the contractor invoice for more than 75% of the CLIN value or the obligated amount, whichever is less, prior to establishment of definitive prices.

Payments for CLINs 0001 shall be made in accordance with the following payment schedule:

Task Number	Task	Event % Value	% of Task Completed
	Present Clean Title of PB # 1 and Order Engines for the		
1.1	Patrol Boat	20%	20%
1.2	Landing of the Superstructure – Patrol Boat	18%	38%
1.3	PB #1 Launch	15%	53%
1.4	PB #1 Ready for Acceptance Trials	15%	68%
1.5	PB #1 Acceptance Trials Completed	10%	78%
1.6	PB #1 Acceptance: Zero Discrepancies	20%	98%
1.7	Retention	2%	100%

Payments for CLINs 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0009 shall be made for each CLIN in accordance with the following payment schedule:

Task Number	Task	Event % Value	% of Task Completed
2.1	Order Patrol Boat Engines	20%	20%
2.2	Completion of Transverse Framing - Patrol Boat	8%	28%
2.3	Roll Patrol Boat	10%	38%
2.4	Landing of the Superstructure – Patrol Boat	10%	48%
2.5	Patrol Boat Launch	10%	58%
2.6	Patrol Boat Ready for Acceptance Trials	10%	68%
2.7	Patrol Boat Acceptance Trials Completed	10%	78%
2.8	Patrol Boat Acceptance: Zero Discrepancies	20%	98%
2.9	Retention	2%	100%

Payments for CLIN 0011 and 0012 shall be made for each CLIN in accordance with the following payment schedule:

Task Number	Task	Event % Value	% of Task Completed
3.1	Proof of Material Order	50%	50%
3.2	Delivery of all material	48%	98%
3.3	Retention	2%	100%

Payments for CLIN 0013 and 0014 shall be made for each CLIN in accordance with the following payment schedule:

Task Number	Task	Event % Value	% of Task Completed
4.1	Ordering of the 30mm Gun Weapon System	83%	83%
4.2	Certification of Installation by MSI – First System	7.5%	90.5%
4.3	Certification of Installation by MSI – Last System	7.5%	98%
4.4	Retention	2%	100%

Payments for CLINs 0015, 0016 and 0017 shall be made for each CLIN in accordance with the following payment schedule:

Task Number	Task	Event % Value	% of Task Completed
5.1	Receipt of the Gun Cradle and Mount	98%	98%
5.2	Retention	2%	100%

Payments for CLINs 0018, 00019 and 0020 shall be made for each CLIN in accordance with the following payment schedule:

CLIN	Task Number	Task	Event % Value	% of Task Completed
0018	6.1	Start of Contractor Engineering Technical Services (CETS) – Patrol Boat #1	15%	15%
0018	6.2	Completion of Patrol Boat #1 Guaranty Period	25%	40%
0018	6.3	Completion of Patrol Boat #2 Guaranty Period	30%	70%
0018	6.4	All Guaranty Items Complete – Patrol Boat #3	30%	100%
0019	7.1	Start of Contractor Engineering Technical Services (CETS) – Patrol Boat #4	15%	15%
0019	7.2	Completion of Patrol Boat #4 Guaranty Period	25%	40%
0019	7.3	Completion of Patrol Boat #5 Guaranty Period	30%	70%
0019	7.4	Completion of Patrol Boat #6 Guaranty Period	30%	100%
0020	8.1	Start of Contractor Engineering Technical Services (CETS) – Patrol Boat #7	15%	15%
0020	8.2	Completion of Patrol Boat #7 Guaranty Period	25%	40%
0020	8.3	Completion of Patrol Boat #8 Guaranty Period	30%	70%
0020	8.4	All Guaranty Items Complete – Patrol Boat #9	30%	100%

- Task 1.1 Present Clean Title of PB # 1 and Order Engines for the Patrol Boat:** Upon the Contractor providing the US Government with certified documentation that proves the first Patrol Boat is free of all liens and incumbrances, and evidence that the engine supplier is contractually obligated to provide the engines for the Patrol Boat; the Contractor may invoice the US Government for 20% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.2 Landing of the Superstructure on the Patrol Boat:** Upon the Contractor landing of the superstructure on the Patrol Boat; then the Contractor may invoice the US Government for 18% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.3 Patrol Boat Launch:** After the Patrol Boat has been placed in the water and secured pier side; and US Government inspection confirms the absence of any Hull and through Hull system leakage; then the Contractor may invoice the US Government for 15% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.4 Patrol Boat Ready for Acceptance Trials:** When the Contractor reports to the US Government that the Patrol Boat is complete in accordance with contract requirements; and the US Government provides written concurrence to the completion of the Patrol Boat; then the Contractor may invoice the US Government for 15% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.5 Patrol Boat Acceptance Trials Completed:** After the submission of all AT testing documentation for the Patrol Boat to the US Government; then the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.6 Patrol Boat Acceptance: Zero Discrepancies:** After the US Government clears outstanding actions or discrepancies listed at the conclusion of AT on the Patrol Boat, after the US Government approves all AT test reports that are required as part of the AT Report for the Patrol Boat, after all items under the applicable CLIN have been delivered, and the US Government accepts all data deliverables for the applicable CLIN; the Contractor may invoice the US Government for 20% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 1.7 Retention:** The US Government will withhold a reserve in the amount of two (2%) of the total contract price. If at any time it shall appear to the US Government that the amount of this reserve may be insufficient to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel, the US Government may deduct or withhold such additional amounts as it may determine necessary to render the reserves adequate from any line item. The use of retentions by the US Government to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel shall not be limited to the amount of retentions accumulated for any single line item. Thus, use of retentions accumulated from one line item may be used to defray costs to the US Government on another line item. Retentions, if not used by the US Government to finish any unfinished work for which the Contractor is responsible or repair defects for which the Contractor is responsible, will be paid to the Contractor upon final acceptance for the applicable CLIN as defined in the "FINAL ACCEPTANCE" clause of this contract.
- Task 2.1 Order Engines for the Patrol Boat:** Upon the Contractor providing the US Government with evidence that the engine supplier is contractually obligated to provide the engines for the Patrol Boat; the Contractor may invoice the US Government for 20% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.

- Task 2.2 Completion of Transverse Framing on the Patrol Boat:** Upon the completion of all transverse framing on the Patrol Boat and inspection by the US Government; the Contractor may invoice the US Government for 8% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.3 Roll the Patrol Boat:** When the Patrol Boat has been removed from its construction jig and inverted; the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.4 Landing of the Superstructure on the Patrol Boat:** Upon the Contractor landing of the superstructure on the Patrol Boat; then the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.5 Patrol Boat Launch:** After the Patrol Boat has been placed in the water and secured pier side; and US Government inspection confirms the absence of any Hull and through Hull system leakage; then the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.6 Patrol Boat Ready for Acceptance Trials:** When the Contractor reports to the US Government that the Patrol Boat is complete in accordance with contract requirements; and the US Government provides written concurrence to the completion of the Patrol Boat; then the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.7 Patrol Boat Acceptance Trials Completed:** After the submission of all AT testing documentation for the Patrol Boat to the US Government; then the Contractor may invoice the US Government for 10% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.8 Patrol Boat Acceptance: Zero Discrepancies:** After the US Government clears outstanding actions or discrepancies listed at the conclusion of AT on the Patrol Boat, after the US Government approves all AT test reports that are required as part of the AT Report for the Patrol Boat, after all items under the applicable CLIN have been delivered, and the US Government accepts all data deliverables for the applicable CLIN; the Contractor may invoice the US Government for 20% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 2.9 Retention:** The US Government will withhold a reserve in the amount of two (2%) of the total contract price. If at any time it shall appear to the US Government that the amount of this reserve may be insufficient to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel, the US Government may deduct or withhold such additional amounts as it may determine necessary to render the reserves adequate from any line item. The use of retentions by the US Government to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel shall not be limited to the amount of retentions accumulated for any single line item. Thus, use of retentions accumulated from one line item may be used to defray costs to the US Government on another line item. Retentions, if not used by the US Government to finish any unfinished work for which the Contractor is responsible or repair defects for which the Contractor is responsible, will be paid to the Contractor upon final acceptance for the applicable CLIN as defined in the "FINAL ACCEPTANCE" clause of this contract.

- Task 3.1 Ordering of Spare Materials:** Upon the Contractor providing the US Government with evidence that applicable vendors are contractually obligated to provide the materials for the applicable CLIN; the Contractor may invoice the US Government for 50% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 3.2 Receipt of Spare Materials:** Upon receipt of all materials by the Contractor and inventoried by the US Government; the Contractor may invoice the US Government for 48% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 3.3 Retention:** The US Government will withhold a reserve in the amount of two (2%) of the total contract price. If at any time it shall appear to the US Government that the amount of this reserve may be insufficient to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel, the US Government may deduct or withhold such additional amounts as it may determine necessary to render the reserves adequate from any line item. The use of retentions by the US Government to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel shall not be limited to the amount of retentions accumulated for any single line item. Thus, use of retentions accumulated from one line item may be used to defray costs to the US Government on another line item. Retentions, if not used by the US Government to finish any unfinished work for which the Contractor is responsible or repair defects for which the Contractor is responsible, will be paid to the Contractor upon final acceptance for the applicable CLIN as defined in the "FINAL ACCEPTANCE" clause of this contract.
- Task 4.1 Ordering of the 30mm Gun Weapon System:** Upon the Contractor providing the US Government with evidence that MSI Defence Systems is contractually obligated to provide the 30mm Gun Weapon Systems for the applicable CLIN; the Contractor may invoice the US Government for 83% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 4.2 Certification of the Installation by MSI – First System:** Upon US Government acceptance of the certification by MSI Defence Systems of the first 30mm Gun Weapon System installation under the applicable CLIN; the Contractor may invoice the US Government for 7.5% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 4.3 Certification of the Installation by MSI – Last System:** Upon US Government acceptance of the certification by MSI Defence Systems of the last 30mm Gun Weapon System installation under the applicable CLIN; the Contractor may invoice the US Government for 7.5% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 4.4 Retention:** The US Government will withhold a reserve in the amount of two (2%) of the total contract price. If at any time it shall appear to the US Government that the amount of this reserve may be insufficient to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel, the US Government may deduct or withhold such additional amounts as it may determine necessary to render the reserves adequate from any line item. The use of retentions by the US Government to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel shall not be limited to the amount of retentions accumulated for any single line item. Thus, use of retentions accumulated from one line item may be used to defray costs to the US Government on another line item. Retentions, if not used by the US Government to finish any unfinished work for which the Contractor is responsible or repair defects for

which the Contractor is responsible, will be paid to the Contractor upon final acceptance for the applicable CLIN as defined in the "FINAL ACCEPTANCE" clause of this contract.

- Task 5.1 Receipt of the Gun Cradle and Mount:** Upon receipt of the Gun Cradle and Mount by the Contractor and inventoried by the US Government; the Contractor may invoice the US Government for 98% of the value of the applicable CLIN, subject to the retention and withholding clauses of this contract.
- Task 5.2 Retention:** The US Government will withhold a reserve in the amount of two (2%) of the total contract price. If at any time it shall appear to the US Government that the amount of this reserve may be insufficient to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel, the US Government may deduct or withhold such additional amounts as it may determine necessary to render the reserves adequate from any line item. The use of retentions by the US Government to meet the cost to the US Government of finishing any unfinished work under this contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered after acceptance or during the Guaranty period of any vessel shall not be limited to the amount of retentions accumulated for any single line item. Thus, use of retentions accumulated from one line item may be used to defray costs to the US Government on another line item. Retentions, if not used by the US Government to finish any unfinished work for which the Contractor is responsible or repair defects for which the Contractor is responsible, will be paid to the Contractor upon final acceptance for the applicable CLIN as defined in the "FINAL ACCEPTANCE" clause of this contract.
- Task 6.1 Start of In-Country Contractor Engineering Technical Services (CETS) – Patrol Boat #1:** After Patrol Boat #1 has been delivered to an Iraq Navy Base and the Contractor commences reactivation of the Patrol Boat; then the Contractor may invoice the US Government for 15% of the value of CLIN 0018; subject to the retention and withholding clauses of this contract.
- Task 6.2 Completion of the Guaranty Period for Patrol Boat #1 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #1; the Contractor may invoice the US Government for 25% of the value of CLIN 0018, subject to the retention and withholding clauses of this contract.
- Task 6.3 Completion of the Guaranty Period for Patrol Boat #2 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #2; the Contractor may invoice the US Government for 30% of the value of CLIN 0018, subject to the retention and withholding clauses of this contract.
- Task 6.4 Completion of all Guaranty Items – Patrol Boat #3:** Upon completion of the Guaranty Period for Patrol Boat #3 and US Government acceptance that all Guaranty items have been corrected on Patrol Boat #3; the Contractor may invoice the US Government for 30% of the value of CLIN 0018; subject to the retention and withholding clauses of this contract.
- Task 7.1 Start of In-Country Contractor Engineering Technical Services (CETS) – Patrol Boat #4:** After Patrol Boat #4 has been delivered to an Iraq Navy Base and the Contractor commences reactivation of the Patrol Boat; then the Contractor may invoice the US Government for 15% of the value of CLIN 0019; subject to the retention and withholding clauses of this contract.
- Task 7.2 Completion of the Guaranty Period for Patrol Boat #4 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #4; the Contractor may invoice the US Government for 25% of the value of CLIN 0019, subject to the retention and withholding clauses of this contract.

- Task 7.3 Completion of the Guaranty Period for Patrol Boat #5 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #5; the Contractor may invoice the US Government for 30% of the value of CLIN 0019, subject to the retention and withholding clauses of this contract.
- Task 7.4 Completion of all Guaranty Items – Patrol Boat #6:** Upon completion of the Guaranty Period for Patrol Boat #6 and US Government acceptance that all Guaranty items have been corrected on Patrol Boat #6; the Contractor may invoice the US Government for 30% of the value of CLIN 0019; subject to the retention and withholding clauses of this contract.
- Task 8.1 Start of In-Country Contractor Engineering Technical Services (CETS) – Patrol Boat #7:** After Patrol Boat #7 has been delivered to an Iraq Navy Base and the Contractor commences reactivation of the Patrol Boat; then the Contractor may invoice the US Government for 15% of the value of CLIN 0020; subject to the retention and withholding clauses of this contract.
- Task 8.2 Completion of the Guaranty Period for Patrol Boat #7 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #7; the Contractor may invoice the US Government for 25% of the value of CLIN 0020, subject to the retention and withholding clauses of this contract.
- Task 8.3 Completion of the Guaranty Period for Patrol Boat #8 for In-Country Contractor Engineering Technical Services:** Upon completion of the Guaranty Period for Patrol Boat #8; the Contractor may invoice the US Government for 30% of the value of CLIN 0020, subject to the retention and withholding clauses of this contract.
- Task 8.4 Completion of all Guaranty Items – Patrol Boat #9:** Upon completion of the Guaranty Period for Patrol Boat #9 and US Government acceptance that all Guaranty items have been corrected on Patrol Boat #9; the Contractor may invoice the US Government for 30% of the value of CLIN 0020; subject to the retention and withholding clauses of this contract.

H-12 PAYMENTS FOR CLIN 0010

Payments for CLIN 0010 shall be as specified in each individual order.

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H-13 NAVSEA 5252.245-9124 LIENS AND TITLE (FP) – ALTERNATE I (MAY 1998) (MODIFIED) (SEPT 2009)

(a) Any and all partial and performance based payments made hereunder on account of the vessels and the materials and equipment therefor shall be secured, when made, by a lien in favor of the Government upon such material and equipment on account of all payments so made, except to the extent that the Government, by virtue of any other requirement of this contract, or otherwise, shall have valid title to such material and equipment as against other creditors of the Contractor. For the purposes of this clause, "partial payments" include payments under the Payable Event Schedule. For purposes of this clause, "partial payments" include payments made under Special Contract Provision H-11, "Payable Event Schedule." If such property is not identified by marking or segregating, the Government shall be deemed to have a lien upon a proportionate part of any mass of property with which such

property is commingled. Any lien provided for by virtue of this requirement is paramount to all other liens under the provisions of 10 U.S.C. Sec 2307. Upon completion and delivery of the vessels, said lien shall be discharged as to any materials and equipment which have not been included in the vessels and which are no longer required therefor.

(b) The Contractor shall immediately discharge or cause to be discharged any lien or rights in rem of any kind, other than in favor of the Government, which at any time exists or rises with respect to the machinery, fittings, equipment or materials for the vessels. If any such lien or right in rem is not immediately discharged, the Government may discharge or cause to be discharged said lien or right in rem at the expense of the Contractor.

(c) Title to the vessels under construction shall be in the Government and title to all materials and equipment acquired for each vessel shall vest in the Government upon delivery thereof to the plant of the Contractor or other place of storage selected by the Contractor, whichever of said events shall first occur; provided, that the Supervisor may, by written direction, require that title shall vest in the Government upon delivery of such materials and equipment to the carrier for transportation to the plant of the Contractor or other place of storage selected by the Contractor. The amount of any freight charges, transportation, taxes or other costs which would have been paid by the Contractor, either directly or as an element of any subcontract cost, and which the Contractor shall not be required to pay as a result of such earlier vesting of title and any use of Government bills of lading, shall be determined and treated as though resulting from a change order and the contract price reduced accordingly. Upon completion of the vessels, or with the approval of the Supervisor at any time during the construction of the vessels, all such materials and equipment which have not been included therein and which are agreed between the Contractor and the Supervisor to be no longer required therefor, except materials and equipment which were furnished by the Government or the cost of which has been reimbursed by the Government to the Contractor, shall become the property of the Contractor; provided, however, that models, mockups, plans and other items which the Contractor is expressly required to construct, prepare, or furnish shall remain the property of the Government. Upon completion of the contract, or at such earlier date as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government, the cost of which has been reimbursed by the Government to the Contractor apart from the fixed price. The Contractor shall deliver or make such other disposal of such property as may be directed or authorized by the Contracting Officer. Recoverable scrap from such property shall be reported in accordance with such procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the Government and shall be paid in such manner as the Contracting Officer may direct. For the purpose of this requirement, "net proceeds" means actual amount collected from such sale of disposal less sales, collection fees and other reasonable related expenses.

(End of text)

END OF SECTION

Section I - Contract Clauses

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52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	SEP 2007
52.203-13	Contractor Code of Business Ethics and Conduct	DEC 2008
52.203-14	Display of Hotline Poster(s)	DEC 2007
52.204-2	Security Requirements	AUG 1996
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.204-7	Central Contractor Registration	APR 2008
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	SEP 2006
52.211-5	Material Requirements	AUG 2000
52.211-15	Defense Priority And Allocation Requirements	APR 2008
52.215-2	Audit and Records--Negotiation	MAR 2009
52.215-10	Price Reduction for Defective Cost or Pricing Data	OCT 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data--Modifications	OCT 1997
52.215-12	Subcontractor Cost or Pricing Data	OCT 1997
52.215-13	Subcontractor Cost or Pricing Data--Modifications	OCT 1997
52.215-14 Alt I	Integrity of Unit Prices (Oct 1997) - Alternate I	OCT 1997
52.215-15	Pension Adjustments and Asset Reversions	OCT 2004
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	JUL 2005
52.215-21 Alt II	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997) - Alternate II	OCT 1997
52.219-8	Utilization of Small Business Concerns	MAY 2004
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.222-3	Convict Labor	JUN 2003
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation	JUL 2005
52.222-19	Child Labor -- Cooperation with Authorities and Remedies	AUG 2009
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-29	Notification Of Visa Denial	JUN 2003
52.222-35	Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998
52.222-37	Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans	SEP 2006
52.223-6	Drug-Free Workplace	MAY 2001
52.223-11	Ozone-Depleting Substances	MAY 2001
52.223-12	Refrigeration Equipment and Air Conditioners	MAY 1995

52.223-14	Toxic Chemical Release Reporting	AUG 2003
52.225-8	Duty-Free Entry	FEB 2000
52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States	MAR 2008
52.226-1	Utilization Of Indian Organizations And Indian-Owned Economic Enterprises	JUN 2000
52.227-1	Authorization and Consent	DEC 2007
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.227-10	Filing Of Patent Applications--Classified Subject Matter	DEC 2007
52.227-11	Patent Rights--Ownership By The Contractor	DEC 2007
52.228-3	Worker's Compensation Insurance (Defense Base Act)	APR 1984
52.228-4	Workers' Compensation and War-Hazard Insurance Overseas	APR 1984
52.229-3	Federal, State And Local Taxes	APR 2003
52.232-1	Payments	APR 1984
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52.232-11	Extras	APR 1984
52.232-17	Interest	OCT 2008
52.232-23 Alt I	Assignment of Claims (Jan 1986) - Alternate I	APR 1984
52.232-25	Prompt Payment	OCT 2008
52.232-32	Performance-Based Payments	JAN 2008
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	OCT 2003
52.233-1 Alt I	Disputes (Jul 2002) - Alternate I	DEC 1991
52.233-3	Protest After Award	AUG 1996
52.242-13	Bankruptcy	JUL 1995
52.243-1 Alt II	Changes--Fixed-Price (Aug 1987) - Alternate II	APR 1984
52.243-6	Change Order Accounting	APR 1984
52.243-7	Notification Of Changes	APR 1984
52.244-2	Subcontracts	JUN 2007
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	AUG 2009
52.245-1	Government Property	JUN 2007
52.245-9	Use And Charges	JUN 2007
52.246-23	Limitation Of Liability	FEB 1997
52.246-24	Limitation Of Liability--High-Value Items	FEB 1997
52.246-25	Limitation Of Liability--Services	FEB 1997
52.247-1	Commercial Bill Of Lading Notations	FEB 2006
52.248-1	Value Engineering	FEB 2000
52.249-2	Termination For Convenience Of The Government (Fixed-Price)	MAY 2004
52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	JAN 2009
252.204-7000	Disclosure Of Information	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	Central Contractor Registration (52.204-7) Alternate A	SEP 2007
252.204-7005	Oral Attestation of Security Responsibilities	NOV 2001

252.209-7004	Subcontracting With Firms That Are Owned or Controlled By	DEC 2006
	The Government of a Terrorist Country	
252.211-7007	Reporting of Government-Furnished Equipment in the DoD	NOV 2008
	Item Unique Identification (IUID) Registry	
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	DEC 2006
252.215-7004	Excessive Pass-Through Charges	MAY 2008
252.223-7004	Drug Free Work Force	SEP 1988
252.225-7001	Buy American Act And Balance Of Payments Program	JAN 2009
252.225-7002	Qualifying Country Sources As Subcontractors	APR 2003
252.225-7004	Report of Contract Performance Outside the United States	MAY 2007
	and Canada--Submission after Award	
252.225-7005	Identification Of Expenditures In The United States	JUN 2005
252.225-7009	Restriction on Acquisition of Certain Articles Containing	JUL 2009
	Speciality Metals	
252.225-7012	Preference For Certain Domestic Commodities	DEC 2008
252.225-7013	Duty-Free Entry	OCT 2006
252.225-7015	Restriction on Acquisition of Hand Or Measuring Tools	JUN 2005
252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	MAR 2006
252.225-7019	Restriction on Acquisition of Foreign Anchor and Mooring	JUN 2005
	Chain	
252.225-7025	Restriction on Acquisition of Forgings	JUL 2006
252.225-7027	Restrictions on Contingent Fees for Foreign Military Sales	APR 2003
252.225-7028	Exclusionary Policies And Practices Of Foreign Government	APR 2003
252.225-7029	Reporting of Commercially Available Off-the-Shelf Items	JUL 2009
	that Contain Specialty Metals and Are Incorporated Into	
	Noncommercial End Items	
252.225-7038	Restriction on Acquisition of Air Circuit Breakers	JUN 2005
252.225-7043	Antiterrorism/Force Protection Policy for Defense	MAR 2006
	Contractors Outside the United States	
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
252.227-7014	Rights in Noncommercial Computer Software and	JUN 1995
	Noncommercial Computer Software Documentation	
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software	APR 1988
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.229-7009	Relief From Customs Duty and Value Added Tax on Fuel	JUN 1997
	(Passenger Vehicles)(United Kingdom)	
252.231-7000	Supplemental Cost Principles	DEC 1991
252.242-7003	Application For U.S. Government Shipping	DEC 1991
	Documentation/Instructions	
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.244-7000	Subcontracts for Commercial Items and Commercial	JAN 2009
	Components (DoD Contracts)	
252.246-7001	Warranty Of Data	DEC 1991
252.249-7002	Notification of Anticipated Program Termination or	DEC 2006
	Reduction	

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52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

(End of clause)

52.216-23 EXECUTION AND COMMENCEMENT OF WORK (APR 1984)

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning them to the Contracting Officer not later than September 23, 2009. Upon acceptance by both parties, the Contractor shall proceed with performance of the work, including purchase of necessary materials.

(End of clause)

52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$146,230,632.68 dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$146,230,632.68 dollars.

(End of clause)

52.216-25 CONTRACT DEFINITIZATION (OCT 1997)

(a) A Firm Fixed Price definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a fixed price proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is 180 days after contract award.

(c) If agreement on a definitive contract to supersede this letter contract is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(End of clause)

52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)

(a) Definition. As used in this clause--

United States means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not

union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.

If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board
Division of Information
1099 14th Street, N.W.
Washington, DC 20570
1-866-667-6572
1-866-316-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at <http://www.nlr.gov>.

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to--

- (1) Contractors and subcontractors that employ fewer than 15 persons;
- (2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;
- (3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;
- (4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that--
 - (i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and
 - (ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or
- (5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall--

(1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Download a copy of the poster from the Office of Labor-Management Standards website at <http://www.olms.dol.gov>; or

(3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold. Pursuant to 29 CFR part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of clause)

52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)

(a) "Hazardous material", as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material	Identification No.
(If none, insert "None")	
_____	_____
_____	_____
_____	_____

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government's rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to--

(i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;

(ii) Obtain medical treatment for those affected by the material; and

(iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

(End of clause)

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

FAR at <http://www.arnet.gov/far/> & DFARS at <http://www.acq.osd.mil/dp/dars/dfars.html>

(End of clause)

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any insert regulation name (48 CFR) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of clause)

252.211-7003 ITEM IDENTIFICATION AND VALUATION (AUG 2008)

(a) Definitions. As used in this clause'

Automatic identification device means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.

Concatenated unique item identifier means--

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch number; and serial number within the original part, lot, or batch number.

Data qualifier means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.

DoD recognized unique identification equivalent" means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/pdi/uid/iuid_equivalents.html.

DoD unique item identification means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.

Enterprise means the entity (e.g., a manufacturer or vendor) responsible for assigning unique item identifiers to items.

Enterprise identifier means a code that is uniquely assigned to an enterprise by an issuing agency.

Government's unit acquisition cost means--

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items produced under a time-and-materials contract, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery.

Issuing agency means an organization responsible for assigning a non-repeatable identifier to an enterprise (i.e., Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, GS1 Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Code).

Issuing agency code means a code that designates the registration (or controlling) authority for the enterprise identifier.

Item means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

Lot or batch number means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

Machine-readable means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

Original part number means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.

Parent item means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

Serial number within the enterprise identifier means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

Serial number within the part, lot, or batch number means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

Serialization within the enterprise identifier means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

Serialization within the part, lot, or batch number means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.

Unique item identifier means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

Unique item identifier type means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/pdi/uid/uii_types.html.

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

(i) All delivered items for which the Government's unit acquisition cost is \$5,000 or more.

(ii) The following items for which the Government's unit acquisition cost is less than \$5,000:

Contract line, subline, or exhibit line

item No.

Item description

(iii) Subassemblies, components, and parts embedded within delivered items as specified in Attachment Number ----
.

(2) The unique item identifier and the component data elements of the DoD unique item identification shall not change over the life of the item.

(3) Data syntax and semantics of unique item identifiers. The Contractor shall ensure that--

(i) The encoded data elements (except issuing agency code) of the unique item identifier are marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and

(ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology--Transfer Syntax for High Capacity Automatic Data Capture Media.

(4) Unique item identifier.

(i) The Contractor shall--

(A) Determine whether to--

(1) Serialize within the enterprise identifier;

(2) Serialize within the part, lot, or batch number; or

(3) Use a DoD recognized unique identification equivalent; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract Schedule.

(ii) The issuing agency code--

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires unique item identification under paragraph (c)(1)(i) or (ii) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

(1) Unique item identifier.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

(5) Original part number (if there is serialization within the original part number).

(6) Lot or batch number (if there is serialization within the lot or batch number).

(7) Current part number (optional and only if not the same as the original part number).

(8) Current part number effective date (optional and only if current part number is used).

(9) Serial number (if concatenated unique item identifier is used).

(10) Government's unit acquisition cost.

(11) Unit of measure.

(e) For embedded subassemblies, components, and parts that require DoD unique item identification under paragraph (c)(1)(iii) of this clause, the Contractor shall report as part of, or associated with, the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

(1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.

(2) Unique item identifier of the embedded subassembly, component, or part.

(3) Unique item identifier type.**

(4) Issuing agency code (if concatenated unique item identifier is used).**

(5) Enterprise identifier (if concatenated unique item identifier is used).**

(6) Original part number (if there is serialization within the original part number).**

(7) Lot or batch number (if there is serialization within the lot or batch number).**

(8) Current part number (optional and only if not the same as the original part number).**

(9) Current part number effective date (optional and only if current part number is used).**

(10) Serial number (if concatenated unique item identifier is used).**

(11) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html.

(g) Subcontracts. If the Contractor acquires by subcontract, any item(s) for which unique item identification is required in accordance with paragraph (c)(1) of this clause, the Contractor shall include this clause, including this paragraph (g), in the applicable subcontract(s).

(End of clause)

252.217-7027 CONTRACT DEFINITIZATION (OCT 1998)

(a) A **Firm Fixed Price type contract** is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the undefinitized contract action, (2) all clauses required by law on the date of execution of the definitive contract action, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit **fixed price** proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is as follows:

Target date for definitization of the contract action: 180 days after contract award

Submission of revised proposal: 30 days after contract award

Beginning of negotiations: 120 days after contract award

(c) If agreement on a definitive contract action to supersede this undefinitized contract action is not reached by the target date in paragraph (b) of this clause, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with subpart 15.4 and part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this undefinitized contract action for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with paragraph (c)(1) of this clause, all clauses, terms, and conditions included in this undefinitized contract action shall continue in effect, except those that by their nature apply only to an undefinitized contract action.

(d) The definitive contract resulting from this undefinitized contract action will include a negotiated **firm fixed price** in no event to exceed **\$180,998,189**.

(End of clause)

252.225-7027 RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES (APR 2003)

(a) Except as provided in paragraph (b) of this clause, contingent fees, as defined in the Covenant Against Contingent Fees clause of this contract, are generally an allowable cost, provided the fees are paid to--

(1) A bona fide employee of the Contractor; or

(2) A bona fide established commercial or selling agency maintained by the Contractor for the purpose of securing business.

(b) For foreign military sales, unless the contingent fees have been identified and payment approved in writing by the foreign customer before contract award, the following contingent fees are unallowable under this contract:

(1) For sales to the Government(s) of **N/A** , contingent fees in any amount.

(2) For sales to Governments not listed in paragraph (b)(1) of this clause, contingent fees exceeding \$50,000 per foreign military sale case.

(End of Clause)

252.247-7023 Transportation of Supplies by Sea (MAY 2002)

(a) Definitions. As used in this clause --

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and

vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b)(1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if--

(i) This contract is a construction contract; or

(ii) The supplies being transported are--

(A) Noncommercial items; or

(B) Commercial items that--

(1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it contracts for f.o.b. destination shipment);

(2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that --

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum --

(1) Type, weight, and cube of cargo;

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW., Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of the steamship company.

(f) The Contractor shall provide with its final invoice under this contract a representation that to the best of its knowledge and belief--

- (1) No ocean transportation was used in the performance of this contract;
- (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;
- (3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
- (4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	_____	_____

(g) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(End of clause)

52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (MAY 2004) (DEVIATION)

The Navy has a deviation from the requirements of FAR 45.106(b)(2) and 16.405(a). The Navy is NOT authorized to use the Alternate I with the clause for shipbuilding contracts.

52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (FT) (APR 1984) ALTERNATE II (DEVIATION)

Modify the clause as follows:

(a) The word "supplies" as used in this clause includes the term "vessel(s)" and has the definition stated in the clause entitled "INSPECTION OF SUPPLIES--FIXED-PRICE."

(b) At the end of paragraph (b), add the following:

"In addition to its other remedies, the Government may, by contract or otherwise, with respect to work terminated as permitted in this clause, proceed with the completion of the vessel(s) and supplies at such plant or plants, including that of the Contractor, as may be designated by the Contracting Officer. If the vessel(s) and other supplies are to be completed at the Contractor's plant, the Government may use all tools, machinery, facilities and equipment of the Contractor determined by the Contracting Officer to be necessary for that purpose. The Government shall also have the right, in the event performance is completed at the Contractor's plant, to procure any additional supplies, tools, machinery, facilities, and equipment that are necessary to complete the vessel(s) and other supplies. If the cost to the Government of completing the vessel(s) and other supplies or procuring supplies similar to those terminated (after adjusting such cost to exclude the effect of changes in the plans and specifications made subsequent to the date of termination) exceeds the price fixed for such vessel(s) and other supplies under this contract (after adjusting such price on account of changes in the plans and specifications made prior to the date of termination), the Contractor, or its surety, if any, shall be liable for such excess."

(c) In the first sentence of paragraph (c), after the word "costs", insert the phrase "or other damages".

(d) In the first sentence of paragraph (e), after the word "title", insert the phrase "(insofar as not previously transferred)."

52.246-2 INSPECTION OF SUPPLIES--FIXED PRICE (JUL 1985) (DEVIATION)

(a) Definition. "Supplies," as used in this clause, includes but is not limited to the vessel(s), raw materials, components, intermediate assemblies, end products, and lots of supplies.

(b) The Contractor shall provide and maintain, prior to and at all times during manufacture, an inspection system acceptable to the Government covering supplies under this contract and shall tender to the Government for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Government during contract performance and for as long afterwards as the contract requires. The Government may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under the contract nor impose any liability on the Government therefor.

(c) The Government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before final acceptance. The Government shall perform inspections and tests in a manner that will not unduly delay the work. The Government assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties. Except as otherwise provided in the contract, the Government shall bear the expense of Government inspections or tests made at other than the Contractor's or subcontractor's premises, provided, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.

(e)(1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.

(2) The Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) The Government has the right, in accordance with this clause and other clauses of this contract, including the clause entitled "DELIVERY OF COMPLETED VESSEL," either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material workmanship or are otherwise not in conformity with contract requirements. The Government may reject nonconforming supplies with or without disposition instructions. Supplies rejected prior to preliminary acceptance as not conforming to this contract, and any Contractor responsible defects discovered during the guaranty period, in accordance with the clause entitled "GUARANTY PERIOD," shall, at the election of the Government be replaced or corrected either by the Government or by the Contractor. The Government will, whenever practicable, afford the Contractor an opportunity to examine the nonconforming or defective supplies before they are replaced or corrected. If the Government elects to effect replacement or correction by the Government, the Government shall equitably reduce the contract price.

(g) The Contractor shall remove supplies rejected or required to be corrected by the Contractor. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor, subject to the provisions of paragraph (i) below. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) may terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

(i) The cost of any removal, replacement or correction for which the Contractor is responsible shall be borne by the Contractor in accordance with paragraphs (g) and (h) above, except that the liability of the Contractor for the correction of defects discovered during the warranty period (other than defects resulting from fraud or gross mistakes amounting to fraud) shall be limited as set forth in the clause entitled "LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS." An increase in the contract price on account of any replacement or correction for which the Contractor is not responsible shall be determined pursuant to the clause of this contract entitled "CHANGES."

(j)(1) If this contract provides for the performance of Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract and (ii) when the supplies will be ready for Government inspection.

(2) The Government's request shall specify the period and method of the advance notification and the Government representative to whom it shall be furnished. Requests shall not require more than 2 workdays of advance notification if the Government representative is in residence in the Contractor's plant, nor more than 7 workdays in other instances.

(k) The Government shall accept or reject supplies as provided in the contract. Government failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability on the Government, for nonconforming supplies.

(l) Inspections and tests by the Government do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before final acceptance. Final acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud or as otherwise provided in the contract.

(m) If final acceptance is not conclusive for any of the reasons in paragraph (l) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby.

Section J - List of Documents, Exhibits and Other Attachments

SECTION J: LIST OF CONTRACT ATTACHMENTS

ATTACHMENT J-1:	Iraqi PB Specifications for Patrol Boats #2 through 9
ATTACHMENT J-2:	Iraqi PB Specifications for Patrol Boat #1
ATTACHMENT J-3:	Iraqi PB Data Requirements List (DRL)
ATTACHMENT J-4:	Iraqi PB Additional Spare Parts Purchase List (applicable to CLIN 0012 only)(to be provided by the Offeror as part of the proposal)
ATTACHMENT J-5:	Iraqi PB Initial Outfitting List (IOL)
ATTACHMENT J-6:	Iraqi PB Damage Control (DC) List
ATTACHMENT J-7	MSI-Defence Systems Limited Engineering Specification ES585
ATTACHMENT J-8:	Removed
ATTACHMENT J-9:	Financial Accounting Data Sheet

CONTRACT
704

FINANCIAL ACCOUNTING DATA SHEET

Page 1 of 2

1.CONTRACT NUMBER (CRITICAL) N0002409C2256				2. SPIIN (CRITICAL)			3. MOD (CRITICAL) BASIC			4. PR NUMBER N0002409NR53133.00						
5.	6. LINE OF ACCOUNTING												7.	NAVY INTERNAL USE ONLY REF DOC/ACRN		
CLIN/SLIN	A. ACRN (CRITICAL)	B. APPROPRIATION (CRITICAL)	C. SUBHEAD (CRITICAL)	D. OBJ CLASS	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. TT	J. PAA	K. COST CODE				AMOUNT (CRITICAL)	
											PROJ UNIT	MCC	PDLI & SUF			
0001 01 0002 01 0003 01 0007 01 0008 01 0009 01	AA	97- 11 X 8242	28Q6	310	74	Q62	0	065916	2D	PE4A75	91986	001	0LBT	21,153,010.00 15,528,285.00 13,197,141.00 12,919,897.00 12,919,897.00 12,919,897.00		
88,638,127.00																
0004 01 0005 01 0006 01														2,604,684.40 2,604,684.40 2,606,732.20		
0011 AA 0011 AB 0011 AC 0012 AA 0012 AB 0012 AC 0012 AD 0015 01	AB	97- 11 X 8242	28S5	310	74	S52	0	065916	2D	PIQA75	91746	001	0SAZ	7,816,101.00 1,946,679.42 610,059.00 144,496.00 6,479,907.00 3,543,783.00 839,278.98 11,582,826.00 424,702.98		
														7,816,101.00		
														25,571,732.38		
	0013 01	AD	97- 11 X 8242	28Q6	310	74	Q62	0	065916	2D	PE4A75	91986	026	0LBT	11,575,293.00	
	0014 01	AE	97- 11 X 8242	28S5	310	74	S52	0	065916	2D	PIQA75	91746	026	0SAZ	9,310,359.00	
	0017 01	AF	97- 11 X 8242	28Q6	310	74	Q62	0	065916	2D	PE4A75	91986	012	0LBT	692,868.30	
	PAGE TOTAL:													143,604,480.68		
	GRAND TOTAL:													146,230,632.68		
	PREPARED/AUTHORIZED BY:								COMPTROLLER APPROVAL : DARLENE E PRITZ //S// By Direction of . COMPTROLLER/DEPUTY COMMANDER DATE : 24-SEP-2009							

CONTRACT
705

FINANCIAL ACCOUNTING DATA SHEET

Page 2 of 2

1.CONTRACT NUMBER (CRITICAL) N0002409C2256				2. SPIIN (CRITICAL)			3. MOD (CRITICAL) BASIC			4. PR NUMBER N0002409NR53133.00					
5. CLIN/SLIN	6. LINE OF ACCOUNTING												7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN	
	A. ACRN (CRITICAL)	B. APPROPRIATION (CRITICAL)	C. SUBHEAD (CRITICAL)	D. OBJ CLASS	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. TT	J. PAA	K. COST CODE				
											PROJ UNIT	MCC	PDLI & SUF		
0018 01 0020 01	AG	97- 11 X 8242	28Q6	252	74	Q62	0	065916	2D	PE4A45	91986	062	0LBT	1,313,076.00 1,313,076.00 2,626,152.00	
PAGE TOTAL:														2,626,152.00	
GRAND TOTAL:														146,230,632.68	
PREPARED/AUTHORIZED BY:							COMPTROLLER APPROVAL : DARLENE E PRITZ //S// By Direction of . COMPTROLLER/DEPUTY COMMANDER DATE : 24-SEP-2009								